

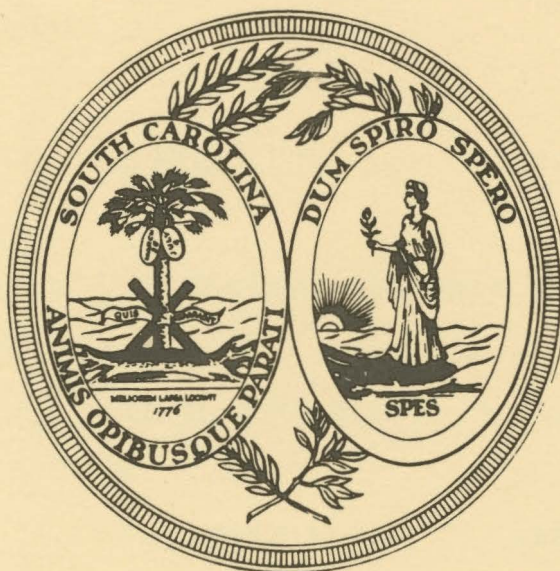
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## South Carolina General Assembly



### Legislative Audit Council



The State of South Carolina  
General Assembly  
Legislative Audit Council  
Management and Performance  
Review of the South Carolina  
Commission on Alcohol and Drug Abuse  
July 10, 1980

THE STATE OF SOUTH CAROLINA

GENERAL ASSEMBLY

LEGISLATIVE AUDIT COUNCIL

MANAGEMENT AND PERFORMANCE

REVIEW OF THE SOUTH CAROLINA

COMMISSION ON ALCOHOL AND DRUG ABUSE

## TABLE OF CONTENTS

	<u>Page</u>
REPORT SUMMARY	1
CHAPTER 1 - BACKGROUND AND HISTORY	6
CHAPTER 2 - MANAGEMENT AND ADMINISTRATION OF SOUTH CAROLINA COMMISSION ON ALCOHOL AND DRUG ABUSE	31
CHAPTER 3 - CURRENT ALCOHOL AND DRUG ABUSE ISSUES	57
APPENDIX 1 - COUNTY/CLIENT DATA FOR FY 78-79	72
APPENDIX 2 - AGENCY COMMENTS	83

## REPORT SUMMARY

In accordance with a legislative request, the Legislative Audit Council has conducted a full programmatic audit of the South Carolina Commission on Alcohol and Drug Abuse (SCCADA). The Council examined all major facets of this agency including its management, organization, internal administration, finances, program management and other tasks and duties. In addition, the Council also performed a detailed study of the delivery system for alcohol and drug abuse services including the role of county alcohol and drug abuse commissions.

In performing this audit, the Council conducted numerous interviews with SCCADA staff and management. SCCADA files, records, memos, reports, contracts, policies and procedures were reviewed and analyzed. Council staff attended various meetings held at the Commission including those with County, State and Federal officials. Council staff contacted all County Commissions and other interested groups for comments. In addition nine County Commissions were visited and detailed interviews were held with County Commission staff. The Council also interviewed Health Systems Agency (HSA), State, Federal and private officials regarding alcohol and drug abuse issues.

The role of SCCADA in the State's alcohol and drug abuse system is primarily that of a planner and coordinator. Actual service delivery occurs on the county level through a system of 41 County-based Alcohol and Drug Abuse Commissions. Funding is provided through a variety of sources but is mainly from the Federal Government, the State tax on mini-bottles and State appropriations. Services are delivered in the

areas of prevention, education, intervention and treatment. South Carolina is one of only a few states which has an independent alcohol and drug abuse authority. In most states this type of agency is located within a large mental health agency or similar organization.

In conducting this audit the Council found that SCCADA performs a variety of tasks such as planning and monitoring programs, gathering detailed client and program data, funding and auditing various programs, and coordinating the State system of service delivery. Overall the Council found SCCADA to be a competent and effective agency with dedicated personnel. The agency has made, in cooperation with the County Commissions, substantial progress in providing a high level of service delivery to clients in a relatively short period of time.

The Audit Council did find some areas where improvements can be made in order to strengthen both SCCADA and the alcohol and drug abuse service delivery system. These areas are as follows:

- All of SCCADA's Federal grants were reviewed to ensure the proper recovery of indirect costs for deposit in the State General Fund. The Council found problems with three grants;
  - (1) SCCADA passes through to the local programs a portion of the indirect cost monies collected from the Title XX Program without proper authorization from the General Assembly. These funds, which by law should have been deposited into the State General Fund, total approximately \$305,883 for the last three fiscal years.
  - (2) SCCADA has not recognized allowable indirect costs as a part of the National Institute of Drug Abuse formula grant resulting in \$50,000 a year being used in programs instead of returned to the General Fund.

(3) SCCADA did not follow Budget and Control Board policy and chose not to apply for allowable indirect costs on a grant received from the National Institute of Alcohol Abuse and Alcoholism. The Agency should have budgeted \$79,976 as indirect costs which would be returned to the General Fund (see p. 31).

- The Council reviewed all funding contracts made between SCCADA and other entities during FY 78-79 and found a lack of adequate financial control on certain discretionary funds (funds which are not earmarked for any specific purpose). For example, the Council questions the disbursement of \$72,929 for "administrative support" which had little accompanying documentation detailing the proposed funds' usage. In addition, the Council also questions the effectiveness of funds given to two non-service oriented organizations and also the fact that State discretionary funds were not audited by SCCADA. The agency has instituted a new contractual system to begin in FY 80-81 for funding County Commissions. This new system should bring an adequate level of control over the discretionary funds (see p. 39).
- The Council identified a potential need for a future reorganization of the agency's management structure. There are several organizational problem areas which may affect agency productivity and may be the source of continued concern in the future. They are (1) an overdependence on the Office of the Director and (2) a lack of clarity between divisions and

their various responsibilities. The Council has listed several current and projected effects resulting from these organizational deficiencies and recommends that the agency consider an alternate organizational structure to alleviate these problems (see p. 42).

- The Council found that many county staff were dissatisfied with SCCADA's training programs. County personnel interviewed by the Council indicated that the training programs either did not meet their needs or that they needed improvement. In order to assure the best possible delivery of services, SCCADA needs to improve communication and needs assessment with the counties (see p. 51).
- The Council found that SCCADA auditors do not have any written policies and procedures for conducting financial audits. This lack of procedures could be detrimental to the agency's audit responsibilities in the future (see p. 54).

In Chapter Three of the report the Audit Council addresses some of the major areas of concern in the alcohol and drug abuse system. The Council examined all sources of funding for the alcohol and drug abuse system and found that there is little chance of substantial financial growth in this area and a possibility that funding sources may be reduced in the future. The system of service planning and program evaluation was examined and it was determined that (1) there is a need for further integration of alcohol and drug abuse services with other health services; (2) statewide service standards are needed; and (3)

there should be more emphasis on effectiveness evaluation and long-range system planning. Finally the Council assessed the current service delivery system at the county level and concluded that there is a need for continued regionalization of County Commissions in the interest of economy and efficiency.

In conclusion the Audit Council found that, although there is a need for some improvements as recommended in the body of this report, SCCADA is performing its duties efficiently and effectively. A service delivery network has been established throughout the State with a variety of programs for the treatment, prevention, and education of alcohol and drug abuse. The Council found the system to consist of many competent individuals dedicated to providing quality alcohol and drug abuse services. The Council appreciates the cooperation and professionalism shown by the officials and staff of SCCADA and the local Commissions throughout this review.

The following report is divided into three chapters. Chapter One provides a detailed overview of SCCADA, its various divisions and the County-State-Federal relationship. Chapter Two contains the findings of the report and the recommendations for improvement. Chapter Three examines current and future issues of concern to SCCADA and the alcohol and drug abuse system with recommendations. Appendix One of the report presents detailed client and county data and also includes financial information for all County Commissions during FY 78-79.



CHAPTER 1  
BACKGROUND AND HISTORY

The Alcohol and Drug Abuse System in South Carolina

The system of alcohol and drug abuse services in South Carolina is a network involving Federal, State and County organizations, each of which has a major influence on how services will be delivered. The basic units of the system are the County Alcohol and Drug Abuse Commissions, established by Act 301 of 1973. Act 301 earmarks a tax on liquor mini-bottles to be used for alcohol and drug abuse treatment and prevention services. It also directs county governing bodies to designate or create a single county agency to plan for alcohol and drug abuse services funded by mini-bottle revenues. In addition, the Act stipulates that each County Alcohol and Drug Abuse Commission write a county plan for the prevention and treatment of substance abuse. The County Commissions must provide for local citizen input to their plans via advisory committees or boards. By law, SCCADA must review and approve each county's plan before mini-bottle funds are disbursed to the county agency.

The County Commissions are held accountable by their local governing boards for the proper expenditure and control of the mini-bottle funds and any county appropriations. The level and number of services offered by each county vary with each county's resources and population.

The State level in the hierarchy of alcohol and drug abuse services is the South Carolina Commission on Alcohol and Drug Abuse (SCCADA). SCCADA is the designated Single State Agency (SSA) to receive and disburse State and Federal funds to provide for prevention and treatment of substance abuse. SCCADA does this through contractual

arrangements with the County Commissions and other local agencies. As the SSA, SCCADA designs programs and sets basic criteria as to what the program is expected to provide. SCCADA also directly and indirectly contracts the majority of the funds used by the counties. All Federal and State monies is controlled via the county plan approval process. In FY 78-79 these funds amounted to 76.4% of the total dollars spent by the counties (see Appendix 1, p. 77). Counties are invited to apply for funds after demonstrating program need and their ability to implement the program. Alcohol and drug abuse services are actually delivered on the local level by County Commission employees. SCCADA concerns itself with planning, funding, developing and coordinating programs.

Federal funding agencies mandate that a designated agency write a State Plan to give a common direction for alcohol and drug abuse services in the State. SCCADA has been designated by the State Legislature as the agency responsible for "formulating, coordinating and administering" the State Plan, and is charged by the Legislature to plan, promote and coordinate education and research into alcohol and drug abuse. An Advisory Council, mandated by Act 1068 of 1974, also provides for local input into the State Plan. The Advisory Council is appointed by the governing board of SCCADA and currently consists of 32 members. A second source of input into the State Plan is the State-wide Planning Task Force comprised of planners and administrators from other State service agencies.

The Federal Government influences alcohol and drug abuse services in South Carolina because it is the source of a large amount of money which must be spent in accordance with certain guidelines. Federal funding agencies have final approval over the State Plan which is

necessary before Federal formula funds can be released. A recent regulatory development is the federally-mandated Health Systems Agency (HSA) which divides the State into four regions with an office in each region. The HSA's are charged with overseeing the coordination of all health services in the State, including alcohol and drug abuse services. The HSA's have developed funding criteria and have the authority to approve or disapprove federally-funded alcohol and drug abuse programs. County proposals involving Federal funds must be reviewed by the HSA's before SCCADA can issue a contract. The HSA's also have input into the State Plan process via regional task forces and reports.

#### Agency and Programmatic Growth

During the last two decades there has been unprecedented growth in the alcohol and drug abuse field in South Carolina. In 1957, Act 309 authorized the creation of the South Carolina Alcoholic Center. This marked the beginning of a comprehensive, statewide network specifically designed to deal with the problems of alcohol abuse. The State's first inpatient treatment facility opened in Florence in 1962. In 1966, the South Carolina Alcoholic Center became the South Carolina Commission on Alcoholism.

The Joint Legislative Committee on Narcotics and Controlled Substances was created by the 1970 General Assembly to study the State drug abuse problem. In 1971, the South Carolina Office of the Commissioner of Narcotics and Controlled Substances was created by Act 445 and became the State's drug abuse authority. The Office's primary responsibility was education and coordination of drug abuse programming.

By this time many counties or other local entities offered substance abuse services. However, the establishment of a comprehensive network for service provision came from two actions. One was the passage of Act 301, the "mini-bottle law," which established local services in all counties and gave them a steady source of income. Equally important was Act 1068 of 1974, which merged the Commission on Alcoholism with the Office of the Commissioner of Narcotics and Controlled Substances into one single State agency, SCCADA. This provided a State-level focus for substance abuse coordination, funding and programming.

#### Funding Description

Alcohol and drug abuse services in South Carolina are funded by a variety of sources, most of which are channeled through SCCADA. These include the Statewide Services Grant from the National Institute on Drug Abuse (NIDA) which is contracted to five County Alcohol and Drug Abuse Commissions; Title XX funds which SCCADA receives from the Department of Social Services and sub-contracts to 12 counties, mainly for detoxification services; and Federal formula funds which the NIDA and the National Institute on Alcohol Abuse and Alcoholism (NIAAA) allocate to states based on a formula involving population, the number of cirrhosis of the liver deaths and other criteria. SCCADA also receives a State appropriation from the Legislature.

As the designated Single State Agency, SCCADA must ensure that these funds are spent appropriately. Separate systems of accountability must be maintained because each funding source releases and regulates funds in a different manner. SCCADA negotiates with the Department of Social Services for Title XX funds, and counties are reimbursed

according to the number of income-eligible clients they serve. It also negotiates separately with the NIDA for the Statewide Services Grant, based on the number of treatment "slots," or clients, the contracting counties can deliver.

The formula funds are contingent upon Federal approval of the State Alcohol and Drug Abuse plan. There are no further requirements for the use of these funds other than the fact that NIAAA formula funds must be used for alcohol abuse treatment, and NIDA formula funds used for drug abuse treatment. These funds are used for a variety of treatment, prevention and intervention programs in the County Commissions and SCCADA relies heavily upon the formula funds to pay for its own staff. State funds also are used for many prevention, education and intervention programs, most notably the Alcohol Safety Action Program (ASAP) aimed at motorists caught driving under the influence.

Most contracts awarded to County Commissions must be matched on a percentage basis. For example, the Statewide Services Contract monies must be matched by local sources on a 60%-40% basis, and the Title XX funds must be matched on a 71%-29% basis. SCCADA funds education-prevention programs on a graduated scheme, where it pays 100% of program costs the first year, 75% the second year, 50% the third year and 25% the fourth year.

In addition to the four largest funding sources mentioned above, SCCADA also administers 17 smaller contracts and grants for a variety of programs ranging from training to multi-media campaigns.

Analysis of the funds managed by SCCADA shows that State appropriations accounted for 29% of total funds in FY 78-79 and make

up 35% of the FY 79-80 budget (see Table 1). The next largest source of funds are the NIAAA and NIDA formula grants, accounting for 27.8% for FY 78-79 expenditures and 22.6% of the FY 79-80 budget.

Total expenditures for FY 78-79 were \$5,658,723 with 33.4% used for the SCCADA's expenses; 64% contracted to other State and local agencies for treatment, intervention, prevention and administrative services; and the remainder allocated to indirect cost recoveries which are returned to the General Fund (see Table 2). The FY 79-80 budget totals \$7,589,185 with 32.2% budgeted for SCCADA and 65.4% allocated for contracts (see Table 3).

In FY 78-79, SCCADA managed all funding through 167 contracts with County Alcohol and Drug Abuse Commissions, school districts and the Department of Mental Health. In most cases these contracts were awarded on a fiscal year (July 1 to June 30) time frame.

In addition to the funds obtained from SCCADA, the County Alcohol and Drug Abuse Commissions have independent sources of income which are used for their own administrative costs, to provide matching funds for contracts, and to pay for treatment and other service programs. These funds come mainly from the State tax on the sale of mini-bottles as specified by Act 301. Counties also rely on appropriations from local county councils, CETA, client fees, occupational contracts, private donations and, until January 1980, separately negotiated contracts with the NIAAA.

#### The Organization of SCCADA

Vested by Act 1068 with "full authority for formulating, coordinating, and administering" the State Alcohol and Drug Abuse plan, the

agency's policy-making and governing board consists of eleven members, one representing each of the six Congressional Districts and five at-large members. They are appointed by the Governor, with the advice and consent of the Senate, for four-year terms.

SCCADA has 89 full-time staff positions and 27 temporary or part-time positions. Currently seven divisions comprise its organization: Administration; Planning and Grants; Research and Evaluation; Prevention, Education and Intervention; Community Treatment Services; Training; and Occupational Programs. Operating expenses for the agency totaled \$1,892,469 for FY 78-79, with 74% used for personnel. Federal and other funds comprised 39.2% of the agency's internal budget, and State funds covered 60.8%. FY 79-80 appropriations totaled \$2,545,477 including \$1,722,277 budgeted for personnel. State funds comprise 52% of the total internal budget during this time period. Table 1 shows sources of funds, expenditures and appropriations by division for FY 78-79 and FY 79-80.

TABLE 1

SOUTH CAROLINA COMMISSION ON ALCOHOL AND DRUG ABUSE

Statement of Sources and Expenditure of Funds for

FY 78-79 and FY 79-80

<u>SOURCE OF FUNDS</u>	<u>FY 78-79</u>	<u>FY 79-80</u>
State Appropriations	\$1,635,267	\$2,696,789
NIAAA Formula	923,534	925,992
NIDA Formula	648,703	788,754
NIDA Statewide Services	821,806	961,491
Title XX	1,206,262	1,138,629
Occupational Funds	31,300	31,900
Other NIAAA Funds	-	468,122
Other NIDA Funds	277,281	205,517
Office of Criminal Justice	31,484	118,151
Highway Safety Funds	62,041	207,290
Other Funds	21,045	46,550
TOTAL	\$5,658,723	\$7,589,185

<u>EXPENDITURES (BY DIVISION)</u>	<u>FY 78-79</u>	<u>Budgeted Expenditures FY 79-80</u>
Administration	\$ 427,617	\$ 473,749
Planning and Grants	219,785	290,826
Research and Evaluation	312,690	422,116
Prevention, Education and Intervention	354,795	613,797
Treatment	132,850	185,964
Training	123,850	191,795
Occupational	140,273	183,857
State Employer Contributions	180,609	-
Pay and Benefits Increases	-	77,790
Other	-	3,669
SCCADA Total	\$1,892,469	\$2,443,563
Aid to Subdivisions	\$3,625,204	\$4,962,037
Indirect Cost Recoveries	141,050	183,585
TOTAL	\$5,658,723	\$7,589,185



TABLE 2

## SOUTH CAROLINA COMMISSION ON ALCOHOL AND DRUG ABUSE

## BREAKDOWN OF STATE AND FEDERAL FUNDS, FY 78-79

Types of Funds	Total Expenditures	Funds Retained by SCCADA	%	Aid to Counties and State Agencies	%	Indirect Cost Recovered <sup>(1)</sup>
State Appropriation	\$1,635,267	\$1,151,299	70.4%	\$ 483,968	29.6%	\$ -
NIAAA Formula Funds	923,534	256,904	27.8%	666,630	72.2%	-
NIDA Formula Funds	648,703	246,406	38.0%	402,297	62.0%	-
NIDA Statewide Services	821,806	26,042	3.2%	756,892	92.1%	38,872
Title XX	1,206,262	-	-	1,148,079 <sup>(2)</sup>	95.2%	58,183
NIAAA Occupational Funds	31,300	27,264	87.1%	-	-	4,036
NIDA - IET	216,980	37,312	17.2%	158,476 <sup>(2)</sup>	73.0%	21,192
NIDA - Training	41,519	34,612	83.3%	-	-	6,907
NIDA-Prevention Coordinator	18,782	16,441	87.5%	-	-	2,341
Office of Criminal Justice	31,484	28,249	89.7%	-	-	3,235
Highway Safety Funds	62,041	55,757	89.9%	-	-	6,284
Other	21,045	12,183	57.9%	8,862	42.1%	-
TOTAL	<u>\$5,658,723</u>	<u>\$1,892,469</u>	<u>33.4%</u>	<u>\$3,625,204</u>	<u>64.0%</u>	<u>\$141,050</u>

(1) Deposited in General Fund.

(2) Includes indirect cost monies passed through to counties.

TABLE 3  
SOUTH CAROLINA COMMISSION ON ALCOHOL AND DRUG ABUSE  
BREAKDOWN OF STATE AND FEDERAL FUNDS, FY 79-80

<u>Type of Funds</u>	<u>Total Budgeted Expenditures</u>	<u>SCCADA Budget</u>	<u>%</u>	<u>Aid to Counties and State Agencies</u>	<u>%</u>	<u>Indirect Cost<sup>(1)</sup> Allotment</u>
State Appropriation	\$2,696,789	\$1,276,486	47.3%	\$1,420,303	52.7%	-
NIAAA Formula Funds	925,992	301,026	32.5%	624,966	67.5%	-
NIDA Formula Funds	788,754	301,026	38.2%	487,728	61.8%	-
NIDA Statewide Services	961,491	30,882	3.2%	895,883	93.1%	34,726
Title XX	1,138,629	-	-	1,065,950 <sup>(2)</sup>	93.6%	72,679
NIAAA Statewide Services	437,122	37,242	8.5%	399,880	91.5%	-
NIAAA Manpower Grant	31,000	26,535	85.6%	-	-	4,465
NIAAA - Occupational	31,900	27,265	85.5%	-	-	4,635
NIDA - IET	84,501	44,572	52.7%	26,158 <sup>(2)</sup>	30.9%	13,771
NIDA - Training	42,000	35,745	85.1%	-	-	6,255
NIDA-Prevention Coordinator <sup>(3)</sup>	79,016	37,392	47.3%	35,000	44.3%	6,624
Office of Criminal Justice	118,151	101,113	85.6%	-	-	17,038
Highway Safety Funds <sup>(3)</sup>	207,290	183,898	88.7%	-	-	23,392
Other	<u>46,550</u>	<u>40,381</u>	<u>86.7%</u>	<u>6,169</u>	<u>13.3%</u>	<u>-</u>
TOTAL	<u>\$7,589,185</u>	<u>\$2,443,563</u>	<u>32.2%</u>	<u>\$4,962,037</u>	<u>65.4%</u>	<u>\$183,585</u>

(1) To be deposited in the General Fund.

(2) Includes indirect cost monies passed through to counties.

(3) Some of these funds extend beyond the State fiscal year.

(1) Administration

The Division of Administration is directed by the Deputy Director of the agency and provides basic administrative functions and supervision of the Word Processing Center. This Division includes a fiscal management section which coordinates budget planning, accounting, auditing, purchasing, and inventory control. The auditing of County Commission contracts include the 12 Title XX contracts, the alcohol and drug services contracts, the intervention contracts and the five statewide service contracts. The Division is responsible for disbursing funds to county programs after the Planning and Grants Division has approved the vouchers. It also handles all the agency's personnel affairs, including hiring, liaison with the State Division of Personnel and Merit System, and SCCADA's Affirmative Action Plan. The word processing system coordinates and automates approximately 85% of the agency's typing needs.

(2) Division of Planning and Grants

The Planning and Grants Division provides fiscal management of more than \$4.9 million in Federal and State funds currently contracted to County Commissions. As the author of the State Plan for alcohol and drug abuse services, it also helps plan for the use of these funds. Four planners within the Division are designated as the chief liaison with the County Commissions in each HSA.

The Division is the coordinator for the process of planning and funding alcohol and drug abuse services, which begins with

the county plans. Each county receives assistance from its designated planner in writing the plans, which are reviewed by SCCADA staff and then recommended for approval or disapproval by a county plan task force. The planners, with the aid of the county plans and regional task forces, create a regional plan which feeds directly to the State Plan.

The other SCCADA divisions prepare criteria for their respective programs. This is coordinated by the Planning and Grants Division and formulated into Requests for Proposals (RFPs), a document which informs the County Commissions what they must do to receive Federal and State funds for their programs. The planners render the counties technical assistance in preparing the necessary documentation. The proposals are reviewed by another SCCADA team consisting of the appropriate planner, a grants monitor and program staff, (for example, a member of the Treatment Division would help review a proposal for halfway house funds), and finally, by division Directors. The agency Director has ultimate authority to sign a contract with a county and the funding limits. Once the proposals are approved, a contract with the county is written, specifying the type and amount of services to be delivered, and funds are transferred from SCCADA to the local service delivery level.

Contracts are written by the grant coordinators, who also monitor Federal formula funds, Title XX funds, the Statewide Services contract from NIDA and State funds. Counties do not receive funds on a grant basis but are reimbursed for actual expenditures based on a unit cost. The grant coordinators

receive monthly expenditure reports from the counties and analyze them to ensure that funds are properly spent and accounted for. The grant coordinators also participate in on-site monitoring of county programs.

Other divisions in SCCADA usually manage their own special grants or programs such as the High Safety media campaigns funded under the Highway Safety Program. In this case the Planning and Grants Division only reviews the program for compliance with Federal fiscal regulations.

Other tasks performed by the Division include helping design program evaluation models, standardization of contracts and development of uniform procedures for proposal submission, review and contract award.

### (3) Division of Research and Evaluation

This Division is responsible for two major program areas: (1) the generation of research reports and studies in the substance abuse area and (2) the implementation and maintenance of the Substance Abuse Agency's Management Information System (SAAMIS), a computerized data collection and reporting system. The SAAMIS began operation in 1977 and generates periodic reports on a multitude of variables including client characteristics, cost, type and amount of services rendered, and other pertinent data. When a client enters the alcohol and drug abuse treatment system, he or she is assigned a number and certain demographic data is collected. All services rendered to the client are also recorded on standard forms. Similarly, county employees report

the nature of their work and the amount of time they spend providing services. This information is entered into the SAAMIS which generates standardized reports to be used by both County Commissions and SCCADA. The ultimate goal of SCCADA is to use the SAAMIS to evaluate the quality of services, however, this component has remained in the planning stages due to the prohibitive cost of client follow-up on a large scale.

The Division aids other SCCADA personnel in developing individual program and county evaluations. In addition, it has generated a number of research reports including:

- (1) The accountability study - a five-year study of alcohol abuse in South Carolina as mandated by Act 1558 of 1972.
- (2) A study of alcoholic beverage consumptions in South Carolina and an assessment of the mini-bottle system.
- (3) A profile of employees of County alcohol and Drug Abuse Commissions.

This section has published a total of nineteen reports including ASAP evaluations, crime reports and special studies.

(4) Division of Prevention, Education and Intervention

The Division of Prevention, Education, and Intervention (PE&I) was created in 1977 by combining the Division of Education and Prevention with two special intervention projects, the Alcohol Safety Action Program and the Drug Diversion Program. Prevention and education programs revolve around two basic premises: (1) the public needs to be informed about the hazards of drugs and alcohol in order to make sound decisions regarding their use; and (2) substance abuse can be prevented when alternative life styles are promoted.

To this end the Division employs a State Prevention Coordinator and State Prevention Plan. The Division assists County Commissions design education and prevention programs and monitors their progress. Prevention programs may include presentations to community groups; training school personnel to recognize and prevent alcohol and drug abuse; or innovative projects targeted to groups who run a high risk of substance abuse.

Education programs include management of a film and print library; publication of the agency's newsletter, The Big Issue; and production of statewide media programs and exhibits.

The Division also develops programs to intervene into alcohol and drug problems within specified target populations. Intervention is defined as the systematic identification, assessment, referral, and follow-up of individuals with alcohol and drug problems. This process uses existing social institutions such as the criminal justice system, educational and religious systems.

(5) Division of Community Treatment Services

The Division of Community Treatment Services provides consultation and technical assistance to local outpatient and residential therapy programs. These functions include on-site staff development, where local treatment personnel are helped with individual cases or treatment problems, and the monitoring of treatment contracts with the counties. The Division consists of four treatment specialists, a secretary and a director. The specialists visit all counties which receive Title XX, Federal formula, or statewide services treatment contracts from SCCADA. Periodically, client records are sampled

and individual treatment plans are reviewed. The monitors check to ensure the client file contains proper documentation of services delivered and that the client is receiving effective and adequate treatment services.

The Division helps local programs prepare treatment facilities to meet licensing standards promulgated by the Department of Mental Health and assists the Department in conducting licensing surveys.

In addition, the Division helps plan for treatment services and funding, and has developed treatment management tools such as a uniform record-keeping system. Division staff serve as trainers in training division workshops.

(6) Division of Training

The Training Division coordinates and conducts employee training for both SCCADA and the county alcohol and drug abuse commissions. Staff from other divisions participate in training county staff. (For example, training for intervention specialists is conducted by the Division of Prevention, Education and Intervention.)

Most of the training events delivered by SCCADA are intended to introduce county staff to basic counseling and intervention skills or help upgrade those skills. Sometimes the more advanced workshops are taught by a college professor or treatment professional who contracts with SCCADA to teach the event. Training packages are designed primarily by Division staff with help from the NIDA Regional Support Center in Atlanta.



The Training Division determines county training needs through a biannual needs assessment, and lists events and workshops in a calendar sent to each county commission. Participants in the training events are asked to evaluate the training and list what other types of training they need.

From 1977 to 1979, the Training Division has participated in the delivery of about 50 different types of training packages. During FY 78-79, 29 training sessions were held at which 421 county staff attended, and five sessions especially for criminal justice personnel were held at which 117 persons attended. From 1976 to the end of October 1979, 464 individual county staff members attended at least one training event.

In addition, for the past two years, the Training Division helped administer the week-long South Carolina School for Alcohol and Drug Abuse Studies. The school is a cooperative effort by SCCADA and other State agencies, and is self-supporting through tuition fees.

A second training mechanism administered by the Division is the Institute of Experiential Training (IET). The IET offers college degrees and practicum placement for people who are either employed in substance abuse or interested in working in this field.

#### (7) Occupational Programs

The Division of Occupational Programs assists private industry and government agencies in establishing policies and programs aimed at the prevention and control of alcohol and drug abuse problems among their employees. At the county level, occupational

specialists approach and "sell" services to interested organizations. The organization pays an agreed-upon fee to the county in return for varying degrees of educational and counseling aid to employees who are identified as having substance abuse problems. The county specialists provide all necessary training and consultation to the organization to set up a system of employee identification and referral. All fees charged are kept by the County Commission. SCCADA employs a director and five occupational program consultants who serve as liaison and provide consultation and assistance to county commissions.

Presently 158 businesses and industries statewide have contracted for occupational alcohol and drug abuse services. In addition 48 State agencies and 48 other entities participate. During FY 78-79, \$131,437 in fees were generated by this program. From the program's inception in 1975 to July 1979 2,500 clients and their dependents have received some form of counseling or treatment. According to SAAMIS data, there were 655 occupational program clients served during FY 78-79.

#### Major Services Provided

Through contractual arrangements with 41 County Alcohol and Drug Abuse Commissions, school districts and other local entities, SCCADA helps provide a variety of services to the State. These services and the costs of providing them are outlined below.

##### (1) Alcohol Safety Action Program (ASAP)

The purpose of the ASAP program is to reduce the incidence of alcohol and drug related accidents, fatalities and property

damage. ASAP originated as a four-year pilot project funded by the U. S. Department of Transportation and located in Richland County. In 1973 the project was expanded to a statewide basis and funded by State appropriations.

Offenders are generally identified and referred by the criminal justice system. First-time offenders have the option of entering the program and attending Alcohol and Drug Training School (ADTS). If they complete this four-week educational course, they may maintain their driver's license. Multiple offenders must enter the ASAP program. For this group the emphasis changes from education to counseling and treatment. These clients go through an intensive eight-week school. Multiple offenders are often referred to other treatment programs during or after ADTS.

ASAP is offered to clients in every county in the State. During FY 78-79 there were 8,193 clients. Of these, 6,048 or 73% were first-time offenders and the reentry rate for this period was 7.43%. ASAP contracts to counties for FY 78-79 amounted to \$611,540.

## (2) Drug Diversion

The Drug Diversion Program seeks to identify and secure treatment for individuals with drug abuse problems. The majority of clients are identified by the criminal justice system. Clients who enter the program as a result of a first offense, such as simple possession of marijuana, may have their records cleared if they successfully complete the program. Clients are screened by

intervention specialists who determine their treatment needs and assign them to the necessary treatment services.

Currently 39 County Commissions provide drug diversion services. During FY 78-79 a total of 1,283 clients were served. The program has a 6.93% recidivism rate. The expenditures and appropriations to counties for this program are included in the ASAP figures stated previously.

(3) School Intervention Program (ScIP)

ScIP functions as an alternative to disciplinary action for students who get into trouble from alcohol and drug abuse problems. Teachers and administrators are trained to identify middle school and high school students with alcohol or drug abuse related problems. The school system then refers the client to the local County Commission for services. The student attends twenty hours of structured courses which emphasize value clarification, reality therapy and conflict management. Upon successful conclusion of ScIP, the client is returned to his or her former status in the school system. Policies dealing with unsuccessful completion vary among school districts and may range from mandatory reentry into the program to expulsion.

During FY 78-79, 22 counties had school districts which maintained ScIP programs and a total of 938 clients were served. There was a 6.29% reentry rate. SCCADA received a \$500,000 appropriation to fund ScIP in FY 79-80.

(4) Criminal Justice and Juvenile Justice Programs

The Criminal Justice Program is designed to provide services to offenders in the criminal justice system other than DUI offenders. In addition to attending an eight-week course, these clients are referred to counseling, detoxification and other treatment services. Services are provided to those still incarcerated and to clients on probation. The operation of the program is coordinated with other criminal justice agencies including the Department of Corrections, the Probation, Pardon and Parole Board and the courts. Also these agencies are trained to refer eligible clients into treatment services.

The purpose of the Juvenile Justice Program is to provide services to juveniles who have been identified and referred by the criminal justice system. According to SCCADA, most clients in the program are status offenders (i.e., not convicted of criminal offenses). Clients are referred by other agencies such as Family Courts, the Department of Juvenile Placement and Aftercare and the Department of Youth Services. Training is provided to officials of these agencies to aid in the identification of clients.

During FY 78-79, 39 County Commissions served 896 criminal and juvenile justice clients. The reentry rate was 14.62%. SCCADA receives funds from the Office of Criminal Justice to train personnel in the criminal and juvenile justice systems.

(5) Other Intervention Programs

Other intervention programs include the occupational programs which serve private industry and government employees. Five

counties offer a women's intervention program designed to identify problem areas and treatment resources for women.

(6) School Grants Program

The purpose of the School Grants Program is to train teachers in alcohol and drug abuse education through the in-service and recertification process. This program is closely coordinated with the State Department of Education's Substance Abuse Curriculum. Currently the program covers 20 school districts and is funded by Federal formula funds. During the first year, SCCADA funds 100% of the individual program, with 25% local matching funds the second year, 50% the third and 75% in the fourth year. The PE&I Division is responsible for the programmatic management of the program including training, technical assistance, planning and monitoring. The Department of Education approves and evaluates the programs.

(7) Innovative Primary Prevention Programs

The purpose of these small projects is to (1) test new ideas and concepts in the areas of prevention, and (2) provide services to special or high risk client groups. Such groups include the poor, children of alcoholic parents, rural populations and retarded adults. Ideas for these projects originate from SCCADA, the County Commissions or other entities. Specific programs include: a Lancaster County program for high risk youth, a Barnwell County community-based recreation project, a Beaufort County physicians' training seminar and a University of South Carolina student education/training program. Innovative projects are funded by both Federal and State funds.

(8) Treatment Services

SCCADA provides financial and technical assistance to County Commissions for a variety of treatment services. Outpatient programs in every county provide diagnostic, referral and individual and/or group counseling to people with alcohol or drug abuse problems. This allows the client to receive services within his or her own community. During FY 78-79, 11,633 people received individual counseling and 8,125 received group therapy within this setting.

Often a counseling regimen begins with detoxification to allow the client to withdraw from the effects of alcohol or drugs in a supervised setting. Short-term residential detox centers are offered in nine counties with a total of 128 beds. Some detox centers are "social setting" facilities where medication is not used and the atmosphere is more home-like. Other counties have sub-acute detox centers with a more hospital-like setting staffed by nurses. In FY 78-79, 8,039 clients received detox from county alcohol and drug abuse commissions.

Halfway houses provide therapeutic, residential care for people with alcohol and drug abuse problems. A halfway house is designed to help clients return to their families, jobs and regular activities in the community. Currently there are 236 halfway house beds in 17 counties, with a total of 1,134 clients served in FY 78-79. Total State and Federal funds contracted to counties for treatment services in FY 78-79 were \$2,295,693.

In addition, more intensive inpatient treatment is offered in three locations in the State. The Holmesview Center in Greenville

and the Palmetto Center in Florence, both operated by the Department of Vocational Rehabilitation, and the Morris Village Alcohol and Drug Addiction Center in Columbia, operated by the Department of Mental Health, accept clients from throughout the State. Often the County Commissions refer clients who need a structured therapeutic environment to these centers. The three facilities offer a total of 264 beds.

The following map shows the availability of services throughout the State. Appendix 1 gives details on the number of clients served, programs and funding available in each county.





CHAPTER 2  
MANAGEMENT AND ADMINISTRATION OF SCCADA

Indirect Cost Recoveries

The Audit Council examined SCCADA's indirect cost rate agreement with the Department of Health, Education and Welfare (HEW) and reviewed the agency's Federal grants for the recovery of all allowable indirect costs. The Council found three areas in which SCCADA was deficient and indirect costs were not remitted to the General Fund; (1) the pass-through of Title XX indirect costs to the local programs, (2) the need to recognize allowable indirect costs in the NIDA formula grant, and (3) the failure to apply for indirect costs in an NIAAA statewide services demonstration project grant.

(1) Pass-Through of Indirect Cost Recoveries

SCCADA passes through to the local programs a portion of the indirect cost monies collected from the Title XX program without proper authorization from the General Assembly and without specifically showing these pass-through monies in its annual budget request. These funds, which by law should have been deposited into the State General Fund, totaled \$110,071.84 for FY 77-78 and \$98,907 for FY 78-79. An estimated \$96,905 will be passed through to the county programs in FY 79-80.

In FY 75-76, prior to the requirement to deposit indirect cost recoveries in the General Fund, SCCADA obtained its first Title XX contract and began subcontracting with local programs for the

delivery of treatment services. The agency agreed to pass through to the counties a portion (10% of a county's direct costs) of the indirect costs it was collecting from Title XX. This was done to aid the County Commissions with the additional administrative burden and paperwork resulting from the Title XX requirements. This agreement with the counties has continued to the present time. SCCADA has not obtained General Assembly approval to pass through these monies to the counties and has not properly shown the pass-through monies in their budget request.

The General Assembly first began to control indirect costs on a statewide basis in FY 76-77. Prior to that year, indirect costs were not fully controlled at the State-level and were used by State agencies at their discretion. The General Assembly in Section 13 of the FY 76-77 General Appropriation Act changed this practice and declared its intent:

...that as soon as practicable, reimbursement of administrative or overhead expenses paid from General Fund appropriations, whether received from the Federal Government or other sources, ..., shall be deposited with the State Treasurer to the credit of the General Fund.

In order to carry this out the Budget and Control Board was directed to study the various State agencies and "to develop a positive plan to require compliance with the intent of the General Assembly..."

The following year the General Assembly more specifically stated its intent for the handling of indirect costs in Section 13 of the FY 77-78 Appropriation Act as amended by the Supplemental Appropriation Act approved on June 10, 1977. This Section stated:

...that where expenditures of State funds are reimbursed by Federal or other funds, ..., such reimbursements shall be returned to the General Fund of the State. The reimbursements referred to

herein shall include, but shall not be limited to, those received under the provisions of the Federal Title XX program, various indirect and overhead cost recoveries and certain "earned" funds.

Subsequent Appropriation Acts have continued to require that these funds are to be returned to the General Fund. Agencies are also required to specifically show these collections in their annual budget request.

For FY 77-78, SCCADA obtained verbal approval from the Budget and Control Board's staff to continue passing through the indirect costs to county programs. This verbal approval was given because FY 77-78 was a transition year for requiring State agencies to deposit the indirect cost monies in the General Fund. However, Board staff told the Council this approval was not intended to be a continuing practice.

With the passage of Act 651 of 1978, the General Assembly allowed for exceptions to be granted if an agency obtained a waiver from either the Joint Appropriations Review Committee or the Budget and Control Board. SCCADA, however, did not request a waiver for FY 79-80.

Section 9 of the Act reads as follows:

Section 9. The Board or Committee, in accordance with the procedure set forth in Section 4 and 5, may waive the requirement that indirect cost recoveries or overhead cost reimbursements shall be returned to the general fund revenue if it determines it is in the best interest of the State and the agency or institution seeking the grants.

In making its determination, the Board or Committee shall make sure that the action shall not create within an agency or institution a fund of surplus money which can be used to expand programs without legislative approval.

The pass-through of Title XX indirect cost recoveries without proper approval has meant that for the last two fiscal years

approximately \$195,812 has bypassed the legislative appropriation process. This prevents the General Assembly from carrying out its decision-making role regarding how such funds are to be spent in the State. Additionally, \$110,071 for FY 77-78 was not returned to the General Fund and was passed through to local programs without written approval.

(2) Need to Recognize All Allowable Indirect Cost Recoveries

SCCADA has not recognized all allowable indirect costs as part of the NIDA formula grant and as a result has not remitted these funds to the State General Fund as required by law. SCCADA receives a formula grant annually from the National Institute of Drug Abuse for planning, developing and implementing a State drug plan. The grant award for the last three fiscal years has been \$523,200 in FY 77-78, \$557,753 in FY 78-79, and \$560,294 in FY 79-80.

The Federal law authorizing the formula grant to states allows up to \$50,000 of the total State allotment to be used for "administrative expenses." NIDA defines administrative expenses as indirect or overhead expenses. NIDA also allows funds for the State agency's (SCCADA) direct costs incurred in managing and developing the State drug plan and the formula grant program. NIDA defines these costs as plan development and implementation costs.

Each year SCCADA negotiates an indirect cost rate with HEW which is to be applied to all of SCCADA's Federal grants. This indirect cost rate applies unless a grant's regulations specifically prohibit or limit the collection of indirect costs. SCCADA's indirect

cost rates for FY 77-78, FY 78-79, and FY 79-80 were 17.6%, 17.0% and 17.5% respectively. When these rates are applied to the grant's direct costs the \$50,000 allotment limit is easily met.

Agency staff have interpreted HEW guidelines and regulations defining "administrative expenses" to exclude indirect cost recoveries. A similar formula grant from the National Institute of Alcoholism and Alcohol Abuse (NIAAA) does exclude indirect cost recoveries in its definition of "administrative expenses." Apparently SCCADA applied the NIAAA definition to the NIDA grant.

The NIDA guidelines and definitions, however, specifically define "administrative expenses" as being indirect administrative or overhead expenses. The HEW guidelines for the preparation of a joint alcohol and drug State plan states that "NIDA authorizes 10% of the State allotment, or \$50,000, whichever is less, to be used for administrative costs. However, unlike NIAAA, administrative costs are defined by NIDA as indirect overhead expenses." NIDA's grants management branch further clarifies what "administrative expenses" are by including a definition to aid the agency in preparing the financial status/projection report submitted to NIDA. NIDA's definition is as follows:

Indirect Administrative Expenses: Actual indirect administrative expenses (overhead) such as central purchasing, state personnel system administration, state accounting services, payroll department, disbursing office, Office of the State Commissioner, and building and equipment use charges, assessed by a state administrative department to the formula grant program. Indirect administrative expenses shall not exceed \$50,000 or 10% of the fiscal year allotment, whichever is less.

Since FY 77-78, the General Appropriation Acts have required that State agencies deposit Federal reimbursements for administrative

expenses with the State Treasurer to the credit of the General Fund. The indirect cost resulting from the NIDA formula grant which SCCADA should have remitted to the General Fund totals \$150,000 for the last three fiscal years.

SCCADA's failure to recognize the indirect costs allowed by NIDA has allowed it to use these funds in local county programs. This bypasses the legislative appropriation process and denies the General Assembly the right to decide where these funds should be spent as intended by State law.

(3) Failure to Apply for Indirect Cost Recoveries

SCCADA chose not to apply for allowable indirect costs on a grant it received from the National Institute on Alcohol Abuse and Alcoholism (NIAAA). This violates Budget and Control Board policy and legislative intent regarding the collection of indirect costs.

In December 1979, SCCADA received an NIAAA statewide demonstration project grant totaling \$879,736. With this grant SCCADA assumed the responsibility for the oversight of subcontracts with four County Commissions which previously had been administered by NIAAA. The grant allowed SCCADA to retain up to 10% of the aggregate allowable costs of the individual projects (\$799,760) for its direct and indirect costs. This amounts to \$79,976.

The agency, in applying for the grant, submitted a budget which did not include any indirect costs, and in negotiations with NIAAA waived the recovery of indirect costs. In addition, in seeking State approval from the Grants and Contracts Review Unit of the Budget and Control Board, SCCADA misinformed the Unit

concerning the collection of indirect costs. The information given to the Board's staff stated that NIAAA did not allow SCCADA to apply for indirect costs when this was not the case. According to agency staff, it was felt that since the amount allowed SCCADA by NIAAA was limited, any budgeting of indirect costs to be returned to the General Fund would hamper the agency's ability to administer the grant.

It is the legislative intent that all allowable indirect costs are to be recovered from every Federal grant and remitted to the General Fund. The Budget and Control Board's policy in carrying out the legislative intent states that:

...indirect cost recoveries must be applied for where permitted under Federal regulations, and must be deposited in the General Fund as required in the current Appropriation Act.  
[Emphasis Added]

SCCADA's approved indirect cost rate for FY 79-80 is 17.5%. This was determined using a direct cost base which included sub-contracts with local County Commissions. In applying this rate to the direct costs of the NIAAA grant award (\$799,760), the entire \$79,976 allowed by NIAAA should have been budgeted as indirect costs and returned to the General Fund.

One of the purposes for requiring an agency to obtain the prior approval of the Budget and Control Board is to ensure that the Federal Government pays its share of the costs that the State pays for administering a Federal program. These State costs include not only the agency's costs but also central State Government costs such as those incurred by the State Treasurer and the State Comptroller's Offices. To recover such State costs an agency must have an approved indirect cost rate and apply it to the



grant. By recovering indirect costs and placing them in the State General Fund, the Legislature rather than an agency can decide whether or not the State wishes to subsidize the administration of a Federal program. SCCADA's decision not to recover indirect costs bypassed this legislative role.

#### RECOMMENDATIONS

SCCADA SHOULD BEGIN TO DEPOSIT ALL TITLE XX INDIRECT COST RECOVERIES INTO THE GENERAL FUND AND NOT PASS THROUGH ANY INDIRECT COST MONIES TO COUNTY COMMISSIONS UNLESS A WAIVER IS GRANTED BY THE BUDGET AND CONTROL BOARD AND THE JOINT APPROPRIATIONS REVIEW COMMITTEE OR OTHERWISE PROVIDED BY THE GENERAL ASSEMBLY.

ALL INDIRECT COST RECOVERIES COLLECTED SHOULD BE SHOWN IN THE AGENCY'S ANNUAL BUDGET REQUEST.

SCCADA SHOULD BUDGET ALL ALLOWABLE INDIRECT COSTS IN FUTURE NIDA FORMULA GRANTS AND REMIT THESE MONIES TO THE STATE GENERAL FUND.

SCCADA SHOULD AS SOON AS POSSIBLE SEEK AN AMENDMENT TO THE NIAAA GRANT AWARD CHANGING THE BUDGET TO RECOVER THE ALLOWABLE

INDIRECT COSTS FOR DEPOSIT IN THE STATE  
GENERAL FUND.

Inadequate Financial Control on Certain Discretionary Funds

The Council analyzed all contracts made by SCCADA with other entities for FY 78-79 including Title XX contracts, statewide services contracts, Federal formula fund contracts and all contracts involving State funds. Overall, the Council found a high degree of accountability in the management of most of these contractual arrangements. However, several problem areas were noted concerning the disbursement and use of some State and Federal discretionary funds. It is expected that these problems should be resolved as a result of the agency's institution of a new system for contractual arrangements beginning in FY 80-81.

Discretionary funds are funds not earmarked for a specific purpose but are used in any manner determined by SCCADA. They are obtained from State and Federal sources. Formula funds are received from the Federal Government with the requirement that NIDA funds be used for drug programs and NIAAA funds go for alcohol programs. State discretionary funds can be used for any purpose. Final authority over the disbursement of these funds rests in the Office of the Director.

Audit Council analysis of these discretionary funds showed that in FY 78-79, ten contracts totaling \$72,927 were provided for "administrative support" to counties and other entities. State funds accounted for \$33,852 of this money while the remainder was Federal formula money. As of February 1980, three counties received \$19,653 for "administrative support" for FY 79-80, of which \$16,650 was State money. Few of these contracts had accompanying documentation defining "administrative support" and how the money was to be used. Of the "administrative

support" contracts examined by the Council, two FY 78-79 contracts funded by Federal formula funds had accompanying detailed budget requests and two had brief letters justifying the need for this support. One of the FY 79-80 contracts contained a brief justification. The Council questions the disbursement of funds for administrative support when many of these requests are approved without detailed budgetary information and use criteria.

The Audit Council also questions several cases where funds were provided to entities other than counties for programs which resulted in limited service provision. During FY 78-79, \$10,000 in Federal formula funds was given to the now defunct Alcohol and Drug Abuse Association of South Carolina. The purpose of this private, non-profit organization was to improve the level of service delivery to clients and provide professional certification to counselors. The \$10,000 grant made up approximately 40% of the Association's total budget. Similarly, SCCADA contributed \$13,825 in Federal formula funds to the South Carolina Committee on Pastoral Care in Alcohol and Drug Abuse. This committee conducts several conferences for the religious community on substance abuse and serves as a liaison between SCCADA and the religious community. The SCCADA contract made up 93% of the Committee's total budget.

The Council also found no evidence of financial audits of State discretionary funds to determine if they were used in the appropriate manner as specified in the contract. In summary, the Audit Council questions (1) the lack of detailed documentation accompanying several of these requests, (2) the specific usage of discretionary funds for "administrative support," and (3) the lack of financial and programmatic review

of the uses of much of these funds. This situation results from an apparent lack of emphasis of SCCADA management in the areas of oversight and accountability for these funds.

Although a lack of accountability does exist in this area, SCCADA has demonstrated that it is capable of exercising proper controls if those controls are mandatory. For example, the Council examined Title XX funds, statewide services contracts and other Federal and State funded contracts and found that a high degree of accountability and control existed. In these contracts SCCADA required the sub-contractors to submit detailed monthly expenditure reports, budget projections, program overviews with needs, goals, objectives, methodologies and evaluation criteria. These programs are also monitored and audited on a regular basis by SCCADA. However, as stated, this high standard of accountability is not applied to contracts using discretionary funds.

There are several effects which result from this lack of control. Contracts for "administrative support" are given to counties which cannot fulfill their internal financial requirements or which need additional support to maintain their present level of services. Providing these funds without proper levels of accountability places SCCADA in the position of possibly subsidizing poor management or poor planning by the counties.

During FY 78-79, SCCADA provided \$23,825 in Federal formula funds to two statewide organizations, yet the effect of these programs was negligible. The Alcohol and Drug Abuse Association is now non-existent. The Pastoral Committee's purpose is to educate clergy in the area of substance abuse yet after ten years of educating the religious community, only 64 of 23,957 FY 78-79 service referrals came from

churches. Obviously, these organizations represent two less-than-successful investments.

Without adequate mechanisms of accountability, SCCADA is not in the position to effectively evaluate the performance of programs in order to determine if they are successful and worthy of future funding.

Recently, however, SCCADA has made significant moves in an effort to provide more control over these and other funds. Beginning in FY 80-81, all potential contractees must use the newly-developed Comprehensive Consolidated Contract Request for Proposal (RFP). This RFP sets up certain minimum requirements and guidelines which must be adhered to before funding is approved. RFP requirements include detailed budgetary data, program justifications and other necessary information. Should the new system operate as anticipated, SCCADA will have an adequate level of control over discretionary funds and should be in a better position to evaluate such programs.

#### RECOMMENDATION

SCCADA SHOULD CLOSELY MONITOR THE PERFORMANCE OF THE NEW CONTRACTUAL SYSTEM AND THE DISBURSEMENT OF DISCRETIONARY FUNDS.

#### Potential Future Need for Agency Reorganization

The Audit Council reviewed the organizational structure of SCCADA; the roles, responsibilities and duties of its various divisions and key individuals; and the interaction between those subunits. Overall the Council found that the agency is performing its assigned tasks and functions in an efficient and effective manner. However, the

Council also found several problem areas which may affect agency productivity and may be the source of continued concern in the future. These problem areas and their effects, both present and projected, are discussed below for the agency's consideration.

The primary organizational problem as determined by the Council is an overdependence on the Office of the Director by the agency. This has manifested itself primarily in two ways. One, the Director's span of control is inordinately large; and two, little real decision-making authority is delegated to agency management staff.

The Director's span of control encompasses a Deputy Director, a Special Assistant, a Special Project Coordinator and six Division Directors. In addition, much of the Director's time is taken up dealing with outside entities. Many of the 41 County Alcohol and Drug Abuse Commission Directors regularly seek decisions from SCCADA's Director on topics ranging from funding to personnel. The Director has frequent contact with SCCADA's own governing Commission, various advisory groups, county governments, the State Legislature, Federal agencies, other State agencies and Congress.

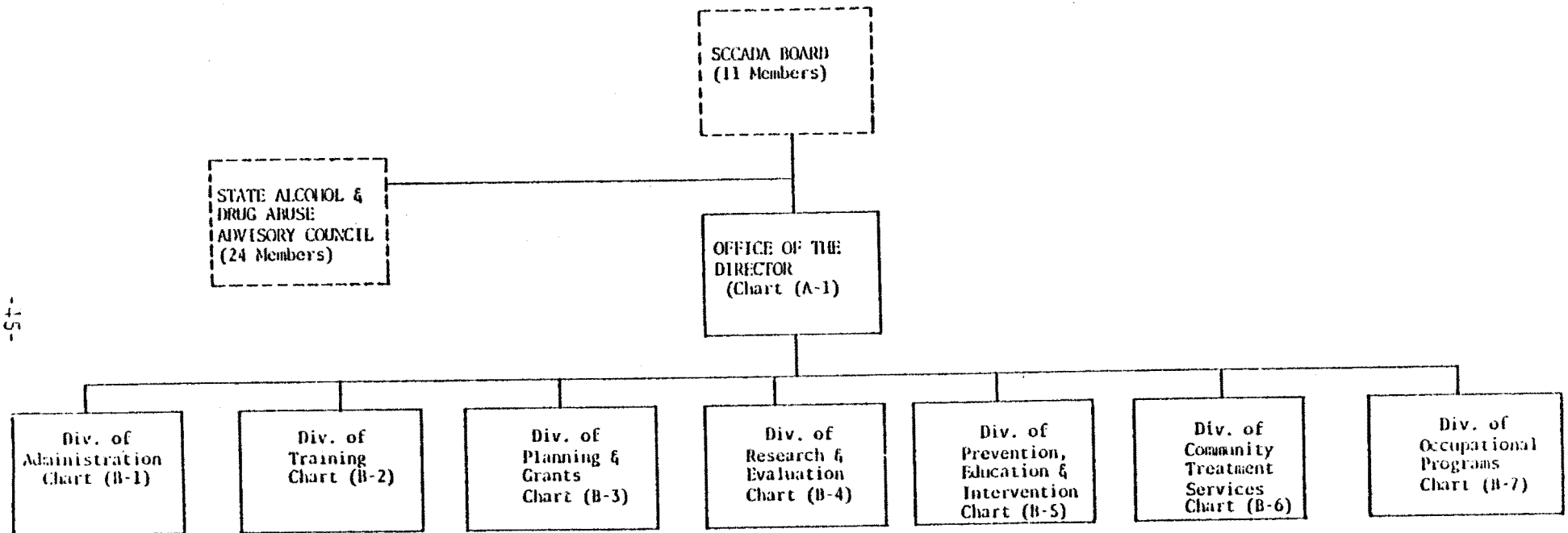
Due to this span of control substantial decision-making authority is not delegated to the management staff of the agency. As seen in Table 4 the organizational structure of SCCADA is horizontal (i.e., all members of top management are equals). The agency's Deputy Director also fulfills the role of Director of the Administration Division. Thus, this position does not optimally reduce the workload of the Director's office. Consequently, the Director is called upon to make many routine agency decisions with the resultant heavy day-to-day workload.

Another organizational problem found by the Council is that boundaries between divisions and their responsibilities are sometimes unclear and result in a certain degree of program overlap and communication problems. This can be manifested in several ways. For example, no one division can be held responsible for contract compliance since several divisions monitor different aspects of a program. Also, two divisions may be performing the same activities within a single program, as is the case with some training programs carried out by different personnel in both the Training Division and the PE&I Division.

These conditions appear to be attributable to the nature of the agency's growth. The agency has grown in a rather short period of time and as it became responsible for more programs, divisions were simply added on or created when one division splintered off from another. This concept is especially true in the case of the Office of the Director. As management responsibilities grew they were retained at this level rather than dispersed through the organization. Also, because of the very nature of most alcohol and drug abuse programs (i.e., divisions must interact between themselves and also interact with Federal, State and County authorities), program overlap is difficult to prevent.

TABLE 4

SOUTH CAROLINA COMMISSION ON ALCOHOL AND DRUG ABUSE



Source: Quarterly summary of agency personnel positions as reported to the State Personnel Division by SCCADA, April 15, 1980.



Sound management policy dictates that each individual or subunit must have a clear idea of its role, responsibility and authority within an organization and that these roles and responsibilities must be planned. Sound management policy also dictates that one individual or one subunit should not be overloaded with responsibility and authority or the organization may lose its impetus because of an over-reliance on that individual or subunit. Management standards prescribe that in cases where subunits perform a variety of different tasks, as is the case with SCCADA, successful managers delegate much of their authority to the subunits. These standards also show that a higher degree of coordination results when subunits are formally joined at crucial points of coordination as opposed to reliance on informal cooperation.

The Audit Council has identified several effects and potential problem areas which have resulted from SCCADA's current organizational structure. Although many of these cases are isolated at present, it is possible that they could become more prevalent and serious in the future.

Interviews with SCCADA and County Commission management staff revealed differing opinions concerning the role of the planners. This state of affairs may also contribute to confusion among staff members who are unsure of the extent of their own responsibilities and authority. Interviews with County Commission officials and examination of SCCADA memoranda point to the fact that in some cases county directors have to wait several weeks for answers on relatively simple questions, mainly because several people and/or divisions have to be involved before SCCADA can reply. The fact that so many divisions become involved in

the implementation and funding of programs results in contracts not being signed and finalized well into the contract period, late reimbursement checks and cash flow problems for the counties. The Audit Council found several instances when communication gaps between the counties and SCCADA's top management contributed to funding and contract problems. Often County Commission Directors will bypass liaison staff and go to the SCCADA Director with their problems, because they feel that is the only way they can obtain a decision. The County Directors have complained that the information and decision-making chain is unclear. As the State agency develops more programs this situation will be compounded.

Many of the cases stated above tend to be the exception rather than the rule. However, as funding sources become tighter counties will rely more and more on the expertise and aid of SCCADA. In response to this projected need, SCCADA will have to be able to make far-reaching decisions concerning funding, personnel and services quickly and with a minimum of "red tape." If it is not able to respond in this manner, SCCADA will eventually become a burden to the delivery of client services.

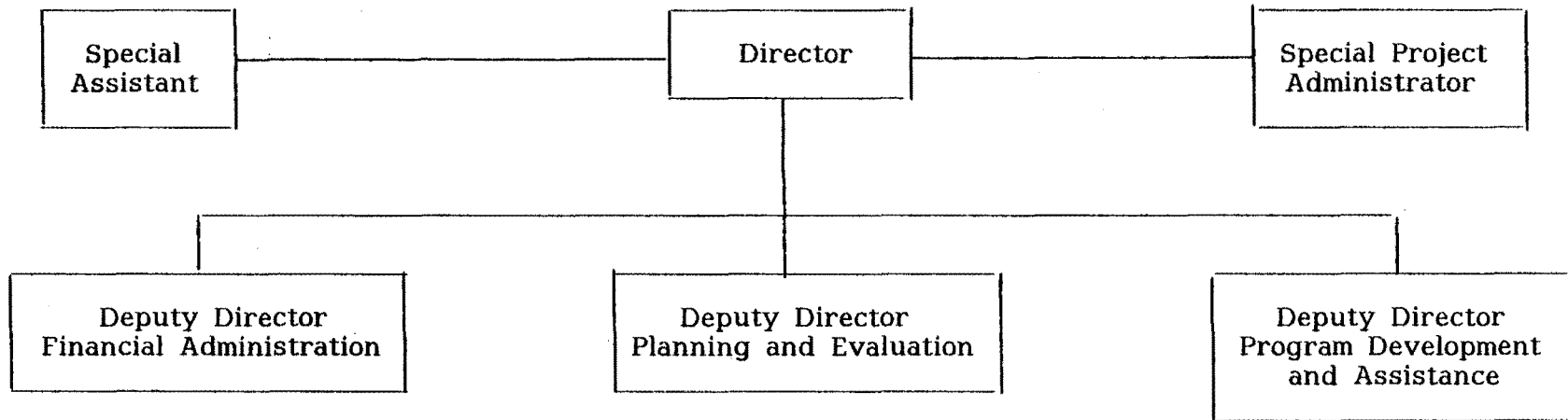
The horizontal structure of the agency's organization may also contribute to these problems. Coordination is difficult because of the interaction of single programs with several divisions. For example, the implementation of an intervention program involves the PE&I Division, which develops the program; the planners, who introduce it to the counties; the grants coordinators, who help determine and monitor funding levels; the Administration Division, which cuts and sends checks to the counties and keeps records; and the Training Division,

which helps train the county staff to deliver the program. In addition, the entire program must be coordinated with the Treatment Division to ensure that treatment can be provided to all the new clients the program may identify. A more functionally structured relationship between the divisions could eliminate a significant portion of this inter-divisional traffic.

Also, the current placement and range of duties of management staff may contribute to future problems. Managerial and professional staff are ineffectively used when so many responsibilities are centered in the Director's office. Should the Director, with his present span of control and responsibility leave, it would be very difficult for anyone to fill his place. A self-reliant organization is needed to provide the long-term planning vital to effective delivery of alcohol and drug abuse services.

In view of these potential problem areas, the Audit Council recommends that SCCADA consider a reorganization with the establishment of three basic divisions. Each division would be headed by a Deputy Director who would report directly to the Director but would possess substantial managerial authority. The three main divisions would reflect the three basic functions of the agency: (1) financial administration, (2) program development and assistance, and (3) planning, research and evaluation. This structure also would be in line with the agency organization now shown in the annual budget submitted to the Budget and Control Board and General Assembly (see Table 5).

TABLE 5  
SUGGESTED SCCADA ORGANIZATION



- (1) Financial Administration Division - This division would include the current Administrative Division and the day-to-day grants management function of the Planning and Grants Division. It would coordinate and manage all of the agency's fiscal affairs. This would include responsibility for fiscal monitoring of both SCCADA's own budget and the contracts let to the counties.
- (2) Program Development and Assistance Division - This division would be made up of the current Treatment; PE&I; Occupational and Training Divisions. Its responsibility would include helping the counties maintain current treatment, prevention and intervention programs; developing new programs and long-range plans in anticipation of the State's service delivery needs; and rendering technical assistance and training to personnel within the agency and in the County Commissions. This staff would be the State's expert in all phases of preventing, detecting and treating problems of alcohol and drug abuse.
- (3) Planning, Research and Evaluation Division - This division would be the central coordinating and planning arm of the agency and consist of the current Research and Evaluation Division and the planning function of the Planning and Grants Division. While the other divisions would have a great deal of input into planning, this division would have final responsibility for establishing a balanced system of service delivery in the State. With the help of the other divisions it would coordinate evaluations to more directly impact on planning and management decisions. It also would have

responsibility for approving county plans and proposals and deciding funding levels for contracts with counties.

Under each Deputy Director would be program managers with extensive responsibility over their individual areas of expertise. It should be emphasized that reorganization of the agency must be accompanied by a significant delegation of responsibility to professional staff, or else a more rigid hierarchy would occur.

This type of organization would allow for coordination to be achieved in three ways. First, each Deputy Director would be responsible for coordination of all activities within his or her division. The Deputies also would have final responsibility to ensure that trans-divisional or cross-program coordination takes place, with necessary coordination carried out by staff. Finally, the four regional planners would coordinate all agency activities as they relate to the county commissions and HSA's.

#### RECOMMENDATION

SCCADA SHOULD REVIEW AND CONSIDER ADOPTION OF THE SUGGESTED METHOD OF AGENCY REORGANIZATION.

#### County Dissatisfaction With Training Programs

In reviewing the effectiveness of SCCADA programs at the county level, the Council found that several counties were dissatisfied with the agency's training programs. This includes training offered not only by the Training Division but the recertification workshops, intervention training and administrative training offered by other divisions as well.

Of the County Directors and staff interviewed by the Council all but one criticized the training given by SCCADA and stated that it either did not meet most of their needs or that it needed improvement. Some counties also objected to recertification and training as mandated by financial contracts with SCCADA. Local staff indicated that they were developing a need for training in more sophisticated areas such as advanced counseling. The counties also said they needed training designed to give their staff the skills necessary to cope with the problems particular to their own localities.

County Commission staff interviewed by the Council indicated that their own expertise was outstripping the level of recertification or training events offered by the SCCADA. That is, many county staff had advanced beyond the point of needing basic training courses. County Directors said that their staff responded better to training taught by professionals working in the field rather than to SCCADA staff.

Input of County Directors into the training needs assessment conducted yearly by SCCADA is minimal. Directors are given a chance to inform the agency of their training needs, largely via meetings with Training Division staff, regional planners and the treatment coordinators. However, SCCADA does not keep any written records of training requests made by the County Directors, and it appears that the counties either cannot or will not participate fully in the needs assessment process.

SCCADA also invites County Directors to meetings where the training calendar is drawn up. In spite of this there appears to be a communication problem between the State and local levels. Part of this problem may stem from county misconceptions about the nature and funding of the State training system. On the State-level, this problem

could be due to the fact that while one division is responsible for scheduling all training given by the agency, no one person or division is responsible for the overall arrangement and quality of training programs.

Both the State agency and County Commissions are equally responsible for ensuring that alcohol and drug abuse services are carried out by well-trained staff. It is important that County Directors and staff participate fully in designing and managing training programs even though SCCADA is responsible for funding them.

Some SCCADA training events have attracted less than a full capacity, possibly due to county dissatisfaction with the agency's training programs in general. If County Directors feel that SCCADA training events are not worthwhile, then they will not send their staff to them, with the result that some staff receive very little training at the State level. This could lead to poor service delivery to the public.

Recently, with the aid of a Federal grant, SCCADA has begun to improve its needs assessment process by "matching" county staff with specific training events via computer. This should result in a more accurate and specific assessment of what training is needed by county staff.

#### RECOMMENDATIONS

SCCADA SHOULD CONTINUE TO IMPROVE ITS  
TRAINING NEEDS ASSESSMENT PROCESS.

SCCADA SHOULD FOSTER BETTER COMMUNICATION  
WITH COUNTY COMMISSION DIRECTORS AND



INVOLVE THEM FULLY IN PLANNING AND MANAGEMENT  
OF ALL TRAINING AND RECERTIFICATION EVENTS.

SCCADA SHOULD CONSIDER APPOINTING A SINGLE  
DIVISION OR PERSON RESPONSIBLE FOR THE  
PLANNING, MANAGEMENT AND QUALITY OF ALL  
TRAINING AND RECERTIFICATION EVENTS.

#### Need For Audit Procedures

SCCADA auditors do not have any written policies and procedures for conducting financial audits. The agency has not developed any guidelines for their auditors to follow while conducting financial audits of contracts made with County Commissions.

Sound management practices dictate that standard audit procedures should exist. Written policies and procedures, if followed, would ensure that audits are being performed in a consistent manner. The absence of audit procedures may result in inconsistency in auditing the same financial data. Inconsistent steps while auditing the same records could result in conflicting findings or miscalculations. If the present auditors (the agency has two) left, it would be very difficult and costly to train a replacement without a Policy and Procedures Manual. The resulting slow down in work output would cause other audits waiting to be completed to mount up and work to backlog.

#### RECOMMENDATION

SCCADA SHOULD DEVELOP STANDARD AUDIT  
POLICIES AND PROCEDURES THAT MEET THE

REQUIREMENTS MADE BY THE FEDERAL GOVERN-  
MENT AND THAT ARE IN ACCORDANCE WITH  
GENERALLY ACCEPTED AUDITING STANDARDS.

Other Management Areas

The Audit Council examined the SCCADA's routine administrative tasks which included maintaining personnel files, property inventory control, procurement, and travel. This review determined that SCCADA is maintaining adequate control over its property, is following prescribed procurement practices, and is in compliance with the State's policies and procedures regarding travel.

The Council tested the SCCADA's system of internal property control in accordance with generally accepted auditing standards. The objective of the examination was to provide assurance that assets are safeguarded against loss from unauthorized use or disposition. The Council's examination of the agency's 1,014 item inventory consisted of: (a) a random sample of items selected from the agency printout, (b) a judgmental sample of specific items off the agency printout, and (c) a spot check of items in various division offices. An examination of procurement-related activities included tests of compliance and efficiency and a review of the agency's purchasing controls. All property was accounted for and State procurement policies were followed.

The cost of agency travel for FY 78-79 was \$96,092. The Council's examination of travel consisted of four separate steps. A random sample of all travel vouchers, an examination of all top management travel, an examination of all agency air travel and the operation of SCCADA's eight State-owned automobiles. All travel

expenses were submitted on the required State forms with proper documentation. Reimbursement requirements for mileage, meals, lodging, and fares were examined and found to be correct.

CHAPTER 3  
CURRENT ALCOHOL AND DRUG ABUSE ISSUES

In conducting this audit, the Council reviewed the many functions of SCCADA, mainly concentrating on funding, planning, organization, evaluation and the workings of the service delivery system. SCCADA is performing adequately in these and other areas and is working to improve the State's service delivery system. There are, however, several issues which SCCADA should consider and address in planning the future of alcohol and drug abuse services. These issues are detailed in the following chapter.

Financial Outlook

The entire alcohol and drug abuse system in South Carolina is dependent upon a variety of funds from numerous sources. Funds are provided by the Federal Government through grants and contracts, by the State through appropriations and special revenues, by county government, by charity and donations and by the clients themselves. Few of these funding sources can be considered highly secure and the failure or reduction of any one could place the service delivery system and SCCADA itself in a precarious position. The following is an analysis of the relative security or insecurity of funding and the effects that severe reduction in these sources of funds might have.

(1) Mini-bottle Funds

These funds are extremely secure. They are derived from special tax revenues and are distributed based upon the population

of the county. The only variables which would affect this money is the sale of mini-bottles and the growth or decline of population. During FY 78-79 these funds accounted for 22% of County Commission funds.

(2) Federal Funds

This broad category accounts for the majority of substance abuse funding for the State and encompasses a myriad of sources. Title XX funds are relatively uncertain. According to SCCADA's budget presentation document given on September 13, 1979, "Title XX funds are due for severe reduction in FY 80-81..." Also according to the HSA II Regional Task Force report presented February 1979, Title XX funds were listed as "uncertain funding." According to officials at DSS, the State contractor for Title XX, national funding for Title XX may drop from \$2.9 billion to \$2.5 billion unless there is Congressional action. However, a current bill before the U. S. House of Representatives would have the effect of raising the Title XX ceiling to \$3.1 billion.

Federal formula funds such as those from the NIDA and NIAAA are also uncertain. According to the National Conference of State Legislatures, "The Carter Administration is asking only \$74 million in FY 81 for programs which replace and presumably expand upon public health formula grants to the States that totaled \$90 million in FY 80, adjusted for inflation, this represents a 35 percent reduction." This state of affairs has serious implications for not only the counties but for SCCADA itself. Twenty-six percent (26%) of SCCADA's own internal funding is derived from

formula funds. As SCCADA states in the FY 80-81 Schedule of Additional Increases Section to its budgetary presentation, formula funds "...are for the critical position providing direction of all planning and grants/contracts management in the agency, and essential operating costs to maintain the agency's research systems." Also, the move by Congress to balance the FY 81 Federal budget could possibly bring additional Federal spending cuts to some of SCCADA's programs.

Other Federal funds include specific project grants from NIDA and NIAAA, LEAA funds and CETA. These too are relatively insecure. This is reflected in SCCADA's own five-year plan. According to this document total Federal funding is projected to rise only 7.3% from FY 80-81 to FY 83-84.

### (3) State Appropriations

These funds fall in the "relatively secure" category but there is little chance of significant growth. This is mainly due to the general economic outlook and the State's overall emphasis on "holding the line" financially.

### (4) Local Funds

These funds are derived in a variety of ways including county government appropriations, donations and charity (United Way, etc.), and client fees. The stability and amount of county appropriations vary so much from county to county that it is impossible to make a valid statewide prognosis. However, those county commissions the Audit Council interviewed agreed that, in general, county

governments will not significantly increase the present level of funds already provided.

Client fees are relatively secure, however, they are dependent upon the number of clients and the financial resources available to those clients. Likewise contributions and charity are dependent upon the amount of money available which, in turn, is dependent upon the overall economic situation.

In summary, it is the Audit Council's conclusion that there is little room for significant growth for the substance abuse system in South Carolina. If one or more major funding sources were reduced, this would have an adverse effect upon the level of service delivery and the types of services offered to clients. In order to maintain existing levels of service delivery, the State and/or local government would have to supplement the loss of these funds. This is especially true in the case of Federal Funds. The State's alcohol and drug abuse system has grown rapidly in recent years due to the influx of Federal funds and the State's own commitment to provide these types of services. However, the financial outlook for the near future precludes the continuation of this rapid growth. In view of this, effectiveness and efficiency evaluation should take on a larger role in deciding which programs shall be maintained and stabilized, which shall be eliminated or reduced and how each dollar can be maximized.

#### Service Planning and Evaluation

The General Assembly in creating SCCADA gave it responsibility for planning, coordinating and evaluating alcohol and drug abuse services in the State. The Audit Council finds that SCCADA has made great strides toward fulfilling these objectives although room for improvement

still exist. The following pages present an analysis of the agency's progress in these areas.

(1) Planning and Coordination

SCCADA's planning system revolves around the county plan - State Plan process described in Chapter One. Both plans describe the resources available, present data on current needs and set goals and objectives. The State plan is written in broad general terms and it chiefly serves to fulfill Federal requirements for the release of Federal formula funds. The county plans are more specific and are supposed to be a reflection of each county's individual situation.

More detailed planning occurs in the proposals sent to funding agencies; county proposals which are sent to SCCADA, and SCCADA proposals sent to Federal funding agencies. The proposals show specific goals of programs and what will be done to implement them. The proposals also represent a great deal of planning on both the State and local level including what programs can accomplish, how much training is needed, and where funding can be obtained.

This process is adequate for most of the planning needed for alcohol and drug abuse services in the State, however, the Council has identified two structural weaknesses in this system. One is the need for further integration of alcohol and drug abuse services with other health services. Secondly, statewide service standards that would help determine planning strategies are needed.

The statewide health planning system now in existence does not appear to adequately integrate service delivery. SCCADA staff are members of advisory boards of other agencies such as the



Department of Mental Health, and other State agencies sit on SCCADA's State Plan advisory boards. The State Alcohol and Drug Abuse Plan is made a part of the State Health Plan by the State Health Coordinating Council (SHCC). On the service delivery level, however, implementing interagency coordination is left up to the individual County Commissions. The relatively few referrals between County Alcohol and Drug Abuse Commissions and other health agencies point to a need for more cooperation. Alcohol and drug abuse clients could receive more counseling services if there were better coordination with agencies such as the Department of Mental Health, Department of Social Services and Department of Vocational Rehabilitation.

Sometimes this lack of an integrated health system results in a client receiving no services at all. A good example is the case of the chronic public inebriate or "skid row alcoholic." Many County Detox Centers are not equipped to provide medically-based detoxification, which this type of client often needs. Some County Detox Centers also have a policy whereby a client is allowed to enter detox only two or three times. After that they are turned away. The only alternative for many chronic inebriates is a hospital emergency room, and if they cannot pay for such services, a jail cell.

Many hospital and private treatment programs are developing throughout the State. SCCADA needs to integrate its system with these programs so that all clients can be served and unnecessary duplication will not occur.

A second major gap in the planning system is the lack of adequate service standards to show where services are needed and what they should include. This is partially responsible for the inconsistent levels of services throughout the State. A large county may have many types of services available while clients in a small county receive few services. Some treatment programs offer participants five or six hours of counseling a month while others may offer only one hour a month.

SCCADA does not have written criteria to help it decide when and where programs should be implemented. Rather, it looks at each county proposal separately and if the county can support the program, it usually receives funding. Rarely has it turned down a county proposal. SCCADA's basic criteria in determining funding is merely to keep existing programs in operation.

However, the HSAs are beginning to take an active part in the planning and funding of health services. The HSA's have approval over the spending of Federal funds for alcohol and drug abuse, and are developing specific criteria for its use. They will play a large part in encouraging health agencies to coordinate their services.

## (2) Evaluation

SCCADA is beginning to take more advantage of SAAMIS data and is designing several evaluations around it. In the past, agency evaluations involved simple monitoring of County Commissions to see if they were fulfilling the terms of their contract. This type of review is becoming more sophisticated but evaluations to

determine if funds are spent efficiently and if services are effective in helping clients have not yet been performed. This is due to the fact that no statewide or nationwide criteria exist and such evaluations are very costly to perform. For example, there are no standards by which to measure the quality of treatment; all evaluators can do is to assume that the better qualified the counselor, and the more hours of therapy received, then the more effective a treatment regimen will be. To determine if SCCADA's programs actually succeed in helping people overcome alcohol and drug addictions requires following up on clients many years after they have completed the program.

Another roadblock to evaluation is that the level of services offered vary so much from county to county that it is difficult to apply the same standards across the State. SCCADA is attempting to standardize services somewhat; for example, it plans to mandate certification of counselors.

SCCADA also is making an effort to evaluate specific programs. To give one example, it is designing an evaluation, based on SAAMIS data, of the Statewide services program to determine if these funds are effectively used. SCCADA also is designing an evaluation that will focus on each county and determine how well the counties are delivering services.

While the question "How effective are alcohol and drug abuse programs in this State? " cannot be answered, the Audit Council finds that SCCADA is making progress in developing measures of effectiveness. However, the agency needs to develop standardized criteria to measure program performance statewide. It needs to

focus present monitoring and evaluation efforts more on "output" - what is the result of the program? There are indications that the level of services needs to be improved. For example, SAAMIS data for FY 78-79 shows that only half of all alcohol and drug abuse clients received individual counseling and then only an average of three hours each. A planning system that is firmly linked to evaluation should identify and alleviate these types of situations.

As discussed in the previous section, the financial outlook for these programs, the counties and SCCADA appears to be highly restrictive for the near future. The substance abuse system in South Carolina has grown tremendously in the past decade, however, now is the time for this growth to stabilize. There is a need to prioritize existing programs and place prime importance on those which have the most impact. This involves long-range systems evaluation and planning, something which SCCADA has yet to accomplish. This may also necessitate the elimination of marginal or innovative projects, such as demonstration projects, for the sake of continuation of high priority items such as ASAP or detox services. As stated previously, there is a need for increased program effectiveness evaluation to better inform SCCADA and the counties where programming priorities should be set. This would enable SCCADA and the counties to conduct accurate, effective long-range planning.

In summary, it is the Council's conclusion that program stabilization and effectiveness evaluation are needed for the future. This will contribute to a higher degree of efficiency and client impact.

## County Commissions and Regionalization

The County Commission system has grown from several influences, predominantly because of the previous existence of local entities dealing with substance abuse and the advent of Act 301 (mini-bottle) money which financed these efforts on a large scale basis. Although a few counties have consolidated their efforts in forming substance abuse agencies (Anderson/Oconee, Bamberg/Calhoun/Orangeburg, Chesterfield/Marlboro, Lexington/Richland), the remaining counties have chosen to maintain their own separate Commissions. Currently, the 46 counties are served by 41 County Commissions.

There are several advantages to the one county-one commission approach.

### (1) Flexibility

The single County Commission can be more flexible to the individual needs of the population of the county.

### (2) Funding

The single County Commission is more likely to receive financial support from a County Council. County government may be less willing to finance a program which may not physically reside within its own boundaries.

### (3) Advocacy

The County Alcohol and Drug Abuse Commission, County Council and county political leaders fulfill an advocacy role for each other.

(4) Pride of Ownership

The feeling that even the smallest community can maintain and control its own substance abuse agency.

The fact that nearly every county has had its own separate Commission has undoubtedly aided in the rapid growth of the system. Grassroots and county advocacy and support translate into statewide advocacy and support. However, the single County Commission system does have major flaws.

(1) Duplication

It is incumbent upon the State to provide a minimum level of care and services to the general population, however, inadequate planning and program management can result in duplication of efforts. Perhaps the largest duplication which exists on the county level is that of administration. According to a March 1979 SCCADA report, "Profile of Employees of County Alcohol and Drug Abuse Commissions in South Carolina," 185 employees, or 26%, fell under the classification of directors, administrative/management and secretary/clerical. Separate County Commissions require separate administrative/managerial support. Program managers require comparatively high salaries yet render few direct services to clients. Consolidated Commissions would not require such a top-heavy management/supportive unit. The same situation exists in regard to facilities. Every County Commission must maintain its own facilities, regardless of the number of clients seen. The maintenance of these facilities ties up funds which could be used to serve clients.

(2) Inefficiency

Separate, yet geographically close, facilities which provide similar services can be inefficient. As mentioned previously duplication of staff, programs and facilities may result in less total funds being made available for client services. Another aspect of inefficiency is lack of coordination. Although some counties do have reciprocal agreements (i.e., channeling clients to other counties which have more appropriate services), these agreements are not mandatory. Regionalized Commissions could provide services coordinated at the base level and staff and facilities could thus be utilized in the most efficient and appropriate manner.

(3) Quality of Staff

There are a finite number of qualified substance abuse managers, counselors, treatment staff and other necessary individuals in South Carolina. Because of the current system, there is a need for a minimum of 41 directors, 60 to 70 administrative/managerial personnel and several hundred counselor/treatment personnel. Because of the size and amount of duplication in the current system, local Commissions may be in the position of accepting individuals which may not have the qualifications or experience required. Similarly, it may be difficult for the system to find 41 highly qualified program directors and other management personnel. Recent managerial difficulties in several counties seem to bear this assumption out. A regionalized consolidated system could select the best qualified individuals and provide more services to clients at the same or even a reduced cost.

The primary concern of any social service delivery system is to serve the public in the best possible fashion. The phenomenon of having a single County Commission in nearly every county served the important purpose of bringing some degree of service provision to all South Carolina citizens. However, due to the growth of programming and overriding economic concerns, the State and the counties cannot afford to maintain this highly duplicative and inefficient system. In order to expand or even maintain current levels of service delivery, some degree of regionalization or program consolidation should occur. This can take several forms. At the minimum, several small adjacent counties can band together with each specializing in one or more types of service provision and utilize a comprehensive referral system. Counties can organizationally combine such as Anderson/Oconee have recently done. At the maximum, counties can combine organizationally along the same lines in the HSA's. Administration and treatment facilities could be in one location while counselors could man satellite offices in smaller population areas.

It is the Audit Council's conclusion that the disadvantages of the current system of single County Commissions outweigh any existing advantages. In the interest of economy and efficiency some form of regionalization should take place. The impetus for any move should begin through the joint efforts of the County Commissions, the HSA's and SCCADA.

## RECOMMENDATIONS

### (1) FINANCIAL OUTLOOK

SCCADA SHOULD CONTINUE AND EXPAND  
UPON ITS EFFORTS TO EVALUATE PROGRAMS ON



THE BASIS OF EFFICIENCY AND EFFECTIVENESS  
IN ORDER TO MAXIMIZE FUNDING.

(2) SERVICE PLANNING AND EVALUATION

SCCADA SHOULD CONTINUE TO ENCOURAGE  
MORE FORMAL INTERAGENCY COOPERATION AT  
THE COUNTY LEVEL AND STATE LEVEL IN ORDER  
TO FULLY UTILIZE ALL AVAILABLE CLIENT SERVICES.

SCCADA, IN COOPERATION WITH THE COUNTY  
COMMISSIONS, THE HSA's, THE FEDERAL GOVERNMENT  
AND OTHER STATES, SHOULD DEVELOP MINIMUM  
SERVICE STANDARDS FOR ALL FACETS OF SERVICE  
PROVISION. THESE STANDARDS SHOULD INCORPORATE  
BOTH EFFICIENCY AND EFFECTIVENESS MODELS.

SCCADA SHOULD DEVELOP A SYSTEM OF  
LONG-RANGE PLANNING AND EVALUATION WHICH  
IS AIMED TOWARD AN ASSESSMENT OF STATEWIDE  
EFFORTS IN ALCOHOL AND DRUG ABUSE SERVICE  
PROVISION.

(3) REGIONALIZATION

SCCADA, THE COUNTY COMMISSIONS AND  
THE HSA's SHOULD CONTINUE TO SERIOUSLY  
EXPLORE THE POSSIBILITY OF COMBINING COUNTY  
COMMISSIONS. THE PRIMARY CRITERIA FOR ANY  
REGIONALIZATION PLAN SHOULD BE INCREASED  
ECONOMY, EFFICIENCY AND EFFECTIVENESS.

## APPENDICES

APPENDIX 1  
COUNTY/CLIENT DATA FOR FY 78-79

The following section depicts client and financial data by county for FY 78-79. Aggregate client data was taken from the agency's SAAMIS, a computerized client reporting system. Overall, this data has a high degree of accuracy. All county financial data, however, is not kept by SCCADA, thus necessitating the design and use of a county financial survey by the Audit Council. Because it was beyond the scope of this audit to visit each county to verify this data and because of the unique funding aspects of each county, these figures may not be entirely accurate. However, the data received is accurate and detailed enough to provide the basis for broad comparisons, generalizations and proportional analysis.

Table 6 shows numbers of clients by program and by county for FY 78-79. Of the intervention programs listed, ASAP had the largest number of clients served with 8,193, or 71.4%, of the intervention total. Next was the Drug Division program with 1,283, or 11.1%. All other intervention programs accounted for the remaining 1,997 intervention clients. Non-intervention programs such as treatment accounted for the largest block of clients, 11,835, or 49.3%, of all clients served. Occupational programs served 655 clients, or 2.7%, of the total client load.

The SAAMIS also accounts for the number of clients who reenter programs. However, this data is not as accurate as the original client count. There is no provision for identifying clients who receive services in several locations unless the client is specifically referred by the first county or the client informs the county that he has received services

previously in another county. The average recidivism rate for all intervention programs was 9.47%. Recidivism for non-intervention programs (treatment) was 31%.

Table 7 identifies the number of halfway house and detoxification entries by county for FY 78-79. Not included in this count are a number of clients who entered other more specialized types of residential care. Halfway house entries totaled 1,134. The length of care in these facilities ranges from several weeks to several months, thus, the small number of clients. Charleston, Newberry, Spartanburg and the Tri-county area (Bamberg, Calhoun, Orangeburg) had 54.8% of halfway house clients. Detoxification can be likened to emergency aid to substance abusers, much like an emergency room is used at a hospital, so it serves a higher number of clients. Eight thousand and thirty-nine (8,039) clients went through Detox in FY 78-79 with 6,096 or 75.8% receiving services in Charleston, Greenville, Lexington/Richland and Spartanburg.

Table 8 lists total county populations, number of clients served, total county alcohol and drug abuse personnel and all funds and sources of funds for FY 78-79. Because it was beyond the scope of this audit for Council staff to visit each county to verify data these figures cannot be used for detailed cross-county analysis. However, some broad generalizations can be made. Of the total amount of funds received for all the listed counties in FY 78-79, 44.6% came from Federal programs administered by SCCADA. Twenty-two percent were in the form of mini-bottle funds and 9.8% were from other State funds, primarily from SCCADA. County governments contributed 9.5%. Client fees totalled 6.2% while other funds (donations, funds raised, etc.) accounted for 5.2% of the total.

Table 9 shows expenditures under the various alcohol and drug abuse programs by county. During FY 78-79, administration accounted for 24.1% of all expenditures. This figure must be looked upon as an approximate one, however, because some counties, particularly the smaller ones, included expenditures in other program areas in the administration category. The reason for this is that in some smaller counties the Director and administrative staff sometimes are involved in client service provision. Intervention programming accounted for 20.8% of expenditures in the reporting counties. ASAP/Drug Diversion programs took the largest part of intervention funds, 58.8%. The largest single program area was treatment which accounted for 45% of all FY 78-79 expenditures. This figure relates to the high level of client usage of treatment facilities as noted previously.

TABLE 6

## PROGRAMMATIC CLIENT DATA BY COUNTY FOR FY 78-79

County	ASAP		Drug Diversion		SCIP		Women's Intervention		Other Criminal Justice Programs		Other Intervention Programs		Other Non-intervention Programs		Occupational Programs
	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served
Abbeville	71	8	1	0	0	0	0	0	2	0	0	0	20	10	6
Aiken	248	12	46	3	122	9	0	0	97	1	7	0	142	49	55
Allendale	51	2	9	1	0	0	0	0	12	3	0	0	19	6	0
Anderson	271	15	69	2	173	11	0	0	7	1	3	0	471	104	56
Bamberg, Calhoun, Orangeburg	294	18	16	1	39	0	0	0	141	26	0	0	292	100	5
Barnwell	62	4	16	2	0	0	0	0	0	0	0	0	38	8	17
Beaufort	154	15	72	2	1	0	1	0	30	4	7	0	116	11	0
Berkeley	166	4	124	4	61	0	1	0	12	1	0	0	182	28	12
Charleston	468	13	105	2	14	1	1	0	104	13	9	2	1,314	360	8
Cherokee	150	14	3	2	0	0	0	0	3	0	0	0	101	47	0
Chester	101	7	15	2	20	0	0	0	1	0	0	0	64	9	4
Chesterfield- Marlboro	208	21	16	4	1	0	0	0	0	0	0	0	211	82	0
Clarendon	181	13	1	0	7	2	13	2	38	8	6	0	49	8	0
Colleton	72	8	4	1	0	0	0	0	39	8	4	1	103	25	0
Darlington	122	5	15	1	162	18	2	0	2	1	1	0	233	58	3
Dillon	77	6	1	0	1	0	0	0	4	0	0	0	88	21	0
Dorchester	211	21	13	0	0	0	0	0	38	4	8	2	307	47	1
Edgefield	35	5	0	0	0	0	2	2	1	0	0	0	12	11	0
Fairfield	99	5	0	0	0	0	0	0	1	0	0	0	52	13	3
Florence	367	72	89	13	157	4	1	0	3	0	1	0	813	288	7
Georgetown	164	29	9	2	0	0	20	1	2	0	1	0	85	22	0
Greenville	963	46	139	4	12	0	0	0	10	2	14	0	1,548	585	55
Greenwood	156	12	4	0	0	0	0	0	6	0	25	2	54	0	61
Hampton	51	3	16	0	0	0	0	0	35	8	0	0	33	8	0
Horry	217	20	56	2	3	0	0	0	3	0	0	0	332	64	9
Jasper	42	1	5	1	2	0	0	0	14	0	0	0	24	5	0
Kershaw	96	9	3	1	0	0	0	0	1	0	0	0	78	34	0

Table 6 (Continued)

County	ASAP		Drug Diversion		SCIP		Women's Intervention		Other Criminal Justice Programs		Other Intervention Programs		Other Non-intervention Programs		Occupational Programs
	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served	# of Reentries	# of Clients Served
Lancaster	186	39	19	8	14	0	0	0	18	4	8	2	203	64	42
Laurens	124	13	10	3	0	0	0	0	7	1	0	0	57	14	0
Lee	58	5	5	0	1	0	0	0	11	0	0	0	21	5	0
Lexington/ Richland	838	48	127	3	37	4	0	0	18	0	0	0	2,163	548	3
Marion	143	6	5	0	0	0	4	0	21	7	0	0	113	24	0
McCormick	9	1	0	0	0	0	0	0	0	0	0	0	5	2	0
Newberry	105	9	9	1	40	9	4	0	0	0	1	0	249	87	12
Oconee	157	13	3	0	0	0	0	0	31	5	6	1	126	27	11
Pickens	203	19	77	5	39	0	0	0	8	1	1	0	213	59	53
Saluda	72	5	3	2	0	0	0	0	1	0	0	0	58	17	1
Sea Island	0	0	0	0	1	0	0	0	5	2	2	0	96	20	0
Spartanburg	419	17	45	4	0	0	0	0	3	0	0	0	1,362	710	142
Sumter	263	18	93	7	0	0	0	0	132	26	9	3	37	6	2
Union	103	3	7	3	0	0	0	0	2	0	0	0	102	13	0
Williamsburg	142	18	9	3	31	1	0	0	0	0	0	0	141	57	2
York	274	7	24	0	0	0	0	0	33	5	1	0	100	20	85
TOTALS	8,193	609	1,283	89	938	59	49	5	896	131	114	13	11,835	3,676	655
Reentry Rates	7.43%		6.93%		6.29%		10.2%		14.62%		11.4%		31.0%		

Source: SCCADA SAAMIS 330 Report.

TABLE 7  
NUMBER OF HALFWAY HOUSE AND DETOXIFICATION  
CLIENT ENTRIES BY COUNTY FOR FY 78-79

<u>County</u>	<u>Number of Halfway House Entries</u>	<u>Number of Detoxifi- cation Entries</u>
Aiken	75	-
Anderson	-	325 (Figure is for 3 qtr.)
Bamberg, Calhoun, Orangeburg	129	423
Charleston	199	1,514
Chesterfield-Marlboro	104	-
Colleton	86	-
Florence	86	918
Greenville	56	1,519
Lancaster	40	-
Lexington/Richland	115	1,323
Newberry	148	277
Pickens	63	-
Spartanburg	146	1,740
Sumter	41	-
York	<u>46</u>	<u>-</u>
TOTAL	1,134	8,039

Source: SCCADA SAAMIS 220 Report.



TABLE 8

## COUNTY COMPARISON - SOURCE OF FUNDS

County	Total County Population	Total # of Clients Served	Total # of County Personnel	Total Funds	Federal Funds	Mini-bottle Funds	State Funds	County Funds	Client Fees	Other Funds
Abbeville	22,390	100	5	\$ 44,368.00	\$ 21,463.00	\$ 15,399.00	-	-	\$ 1,825.00	\$ 6,181.00
Aiken	100,190	717	20	215,415.86	60,944.59	66,019.41	\$43,620.00	-	19,608.16	25,223.76
Allendale	10,237	91	5	13,144.12	1,173.52	6,990.89	3,000.41	-	1,979.50	-
Anderson	122,208	1,051	37	283,691.94	84,373.69	76,082.95	81,897.16	\$ 10,000.00	16,584.00	14,754.14
Bamberg, Calhoun, Orangeburg (Tri- County)	88,324	787	27	277,866.65	115,826.06	69,622.94	36,985.00	31,785.00	11,200.00	12,447.65
Barnwell	19,942	133	8	24,511.31	6,957.00	12,389.28	1,165.03	4,000.00	-	-
Beaufort	58,694	375	11	123,107.82	32,934.40	36,885.00	12,196.00	27,201.05	12,327.50	1,563.87
Berkeley	78,700	558	13	133,852.00	7,763.00	40,539.00	21,000.00	37,000.00	24,000.00	3,000.00
*Charleston	261,892	2,043	106	1,392,859.00	796,077.00	165,000.00	99,051.00	204,731.00	43,500.00	84,500.00
Cherokee	42,392	257	4	43,222.00	3,003.00	26,539.00	7,500.00	-	5,486.00	694.00
Chester	30,882	205	12	81,689.18	16,482.14	22,939.34	5,803.00	17,546.50	3,543.00	15,375.20
Chesterfield-										
Marlboro	64,074	436	14	154,973.00	88,395.00	43,871.00	-	8,572.00	10,965.00	3,170.00
Clarendon	28,502	295	5	73,660.63	28,032.66	18,469.94	14,602.03	3,750.00	6,031.00	2,775.00
Colleton	30,222	222	7	105,725.88	41,776.00	19,987.00	28,013.77	11,500.00	3,321.00	1,128.00
Darlington	57,492	540	10	125,062.75	54,759.96	42,430.00	-	21,226.00	5,135.00	1,511.79
Dillon	30,405	171	8	37,913.00	4,055.00	20,000.00	-	8,000.00	2,960.50	2,697.50
Dorchester	55,090	578	4	91,084.00	18,256.00	23,282.00	16,820.00	21,285.00	2,156.00	9,285.00
Edgefield	16,892	50	8	20,805.67	-	11,318.53	5,375.00	3,000.00	1,100.00	11.44
Fairfield	20,449	155	2	69,066.13	23,697.13	14,426.13	6,256.88	9,400.00	3,410.00	3,410.00
Florence	103,387	1,438	41	405,547.25	227,523.55	64,657.78	30,000.00	43,000.00	32,379.61	7,984.33
Georgetown	40,999	281	7	95,634.00	858.00	24,800.00	33,602.00	20,194.00	5,380.00	10,800.00
Greenville	275,696	2,741	56	641,248.00	192,574.00	173,517.00	41,136.00	130,518.00	81,001.00	22,502.00
Greenwood	54,102	306	10	91,884.68	13,751.86	27,561.26	23,179.00	-	6,885.00	20,467.56
Hampton	17,638	135	6	17,743.28	661.83	11,453.08	2,473.37	-	2,890.00	265.00
Horry	94,794	620	13	124,866.33	18,030.00	50,489.61	8,265.00	30,000.00	6,875.00	11,204.72
Jasper	15,133	87	4	11,643.17	150.57	8,573.46	1,044.14	-	1,875.00	-
Kershaw	35,952	178	4	55,006.86	19,459.51	24,045.35	6,000.00	2,307.00	3,195.00	-
Lancaster	48,946	490	9	110,054.13	30,832.08	32,609.01	2,353.61	17,456.00	25,141.65	1,661.78

TABLE 8 (CONTINUED)

County	Total County Population	Total # of Clients Served	Total # of County Personnel	Total Funds	Federal Funds	Mini-bottle Funds	State Funds	County Funds	Client Fees	Other Funds
Laurens	51,398	198	7	\$ 89,300.00	\$ 11,142.00	\$ 36,171.00	\$13,325.00	\$ 5,000.00	\$ 5,478.00	\$18,184.00
Lee	17,692	96	5	9,290.00	3,500.00	1,000.00	3,000.00	-	-	1,790.00
Lexington/ Richland	387,279	3,186	117	1,770,232.00	1,318,039.00	246,318.00	83,340.00	-	72,650.00	49,885.00
Marion	33,372	286	10	78,964.44	6,948.00	18,000.00	15,266.00	18,905.94	6,500.00	15,344.50
McCormick	8,054	14	3	12,043.63	1,313.15	9,755.89	-	-	200.00	774.59
Newberry	31,043	420	18	216,711.00	131,025.84	21,115.97	3,600.00	44,000.00	11,350.00	5,620.00
Oconee	45,333	334	(Included in Anderson Data)							
Pickens	74,292	594	12	121,064.00	40,187.00	45,408.00	9,000.00	-	12,965.00	13,304.00
Saluda	14,899	135	2	27,163.89	11,519.78	10,479.50	-	-	1,842.50	3,322.11
Sea Island	-	98	6	(Not Applicable)						
Spartanburg	199,776	1,971	39	494,979.66	220,001.27	125,317.44	84,353.60	-	28,195.12	37,112.23
Sumter	84,339	536	20	201,370.00	58,276.00	55,625.00	-	9,000.00	12,835.00	6,729.00
Union	30,350	214	4	54,547.26	8,945.05	21,084.25	11,993.96	7,675.00	4,849.00	-
Williamsburg	56,638	325	11	138,923.00	64,446.00	24,701.00	29,155.00	15,000.00	4,899.00	722.00
York	100,438	517	11	175,853.97	34,549.86	61,472.30	29,090.43	25,000.00	10,235.00	15,506.38
TOTAL	2,960,582	23,963	721	8,256,089.49	3,688,677.66	1,826,346.31	813,462.39	787,052.49	512,652.54	431,098.55

\*Charleston information is estimated, not actual.

Sources:

Total county population - South Carolina Division of Research and Statistics - 1979 Data.

Total number of clients served - SCCADA SAAMIS 320 Report.

Total county personnel - SCCADA SAAMIS 540 Report.

Funding - LAC county questionnaires.

TABLE 9

## COUNTY EXPENDITURES FOR FY 78-79 BY PROGRAM

County	Total Expenditures	Administr.	Prevention/Education	ASAP/Drug Diversion	ScIP	Women's Intervention	Other Crim. Justice Programs	Other Intervention Programs	All Intervention (Total of Rows 4 thru 8)	Detoxification (Treatment)	Halfway House (Treatment)	Treatment (Including Totals of Rows 10 and 11)	***Training
Abbeville	\$ 44,368.00	\$ 24,514.00	\$ 11,524.00	Included in Grnwd. ASAP	--	--	--	--	--	--	--	\$ 5,981.00	\$ 2,849.00
Aiken	214,691.39	44,217.24	5,573.00	\$ 38,482.04	\$ 23,089.00	--	\$ 10,711.12	\$ 90,057.71	\$ 90,057.71	--	\$ 56,766.11	71,034.21	3,804.73
Allendale	13,874.81	11,246.85	--	410.02	--	--	--	--	410.02	--	--	2,126.02	91.92
Anderson	278,234.30	55,250.05	--	57,600.45	--	--	--	19,191.22	76,791.67	\$121,380.09	--	136,142.19	--
Anderson, Calhoun, Grangeburg	312,014.35	85,453.98	9,000.00	25,241.11	--	--	21,532.00	--	46,773.11	93,610.65	39,960.75	170,787.86	--
Barnwell	26,683.00	--	--	--	--	--	--	--	--	--	--	--	711.75
Beaufort	127,318.99	49,025.29	18,822.23	29,452.74	--	--	--	11,816.58	41,269.32	--	--	15,378.61	2,823.54
Berkeley	133,852.00	57,588.00	7,545.00	36,000.00	6,000.00	--	1,970.00	1,000.00	44,970.00	--	--	22,249.00	1,500.00
*Charleston	1,392,859.00	355,052.00	23,643.00	212,390.00	--	--	123,577.00	169,416.00	505,383.00	205,018.00	185,913.00	508,781.00	--
Cherokee	49,139.00	23,034.00	--	3,512.00	--	--	--	--	3,512.00	--	--	22,405.00	183.00
Chester	81,689.18	29,498.68	15,477.82	11,208.19	5,513.38	--	--	--	16,721.57	--	--	Included in Administration 72,469.00	3,269.54
Chesterfield-Marlboro	122,416.00	16,580.00	--	33,367.00	--	--	--	--	33,367.00	--	32,557.00	--	--
Clarendon	63,770.94	29,938.84	11,793.84	13,011.74	--	--	--	2,847.68	15,859.42	--	--	6,178.84	--
Colleton	137,387.22	8,381.68	16,344.28	50,668.76	--	--	12,365.00	2,123.74	65,157.50	--	30,321.32	47,503.76	--
Darlington	124,757.52	32,090.25	9,869.33	16,380.62	24,620.94	--	14,328.44	3,714.60	59,044.60	--	--	26,691.42	774.52

TABLE 9 (CONTINUED)

County	Total Expenditures	Adminstr.	Prevention/ Education	ASAP/Drug Diversion	ScIP	Women's Intervention	Other Crim. Justice Programs	Other Intervention Programs	All Intervention (Total of Rows 4 thru 8)	Detoxifi- cation (Treatment)	Halfway House (Treatment)	Treatment (including Totals of Rows 10 and 11)	***Training
Dillon	\$ 37,913.00	\$ 12,496.75	\$ 20,416.25	\$ 3,000.00	--	--	--	--	\$ 3,000.00	--	--	--	\$ 2,000.00
Dorchester	91,084.00	40,110.00	4,457.00	22,741.00	--	--	\$ 3,364.00	--	26,105.00	--	--	\$ 20,412.00	--
Edgefield	24,718.06	24,006.24	--	--	--	--	--	--	--	--	--	--	711.82
Fairfield	50,923.28	23,170.08	15,880.80	7,876.69	--	--	--	--	7,876.69	--	--	11,325.00	670.71
Florence	450,399.17	56,886.82	29,329.91	40,326.71	\$13,500.00	--	--	\$ 2,600.00	16,429.71	\$210,778.77	\$ 31,826.59	307,755.73	--
Georgetown	95,135.83	30,912.02	24,370.62	19,910.00	--	--	--	--	19,910.00	--	--	19,943.18	--
Greenville	675,030.00	93,632.00	8,521.00	71,884.00	--	--	--	32,251.00	104,135.00	277,194.00	95,339.00	450,742.00	--
Greenwood	117,389.00	29,285.00	24,208.00	--	--	--	--	--	43,253.00	--	--	20,643.00	--
Hampton	17,383.25	11,629.50	--	1,450.30	--	--	--	--	1,450.30	--	--	3,824.01	479.44
Horry	123,551.69	39,641.37	1,000.00	21,813.83	Included in Preven/Educ.	Included in Preven/Educ.	Included in ASAP/Drug Dv.	Included in ASAP/Drug Dv.	21,813.83	--	--	49,520.04	2,574.45
Jasper	12,122.44	11,213.91	--	719.40	--	--	--	--	719.40	--	--	--	189.13
Kershaw	55,049.65	28,039.85	11,596.50	6,220.00	--	--	--	--	6,220.00	--	--	7,843.30	1,350.00
Lancaster	89,525.84	28,172.80	8,012.10	10,111.83	500.00	--	13,773.00	11,853.61	36,239.29	--	21,072.63	17,161.65	--
Laurens	89,300.00	30,000.00	19,600.00	17,500.00	--	--	--	--	17,500.00	--	--	22,200.00	--
Lee	18,290.00	8,800.00	--	3,000.00	--	--	--	--	3,000.00	--	--	6,490.00	--
Lexington/ Richland	1,733,956.00	367,627.00	238,026.00	118,822.00	--	--	--	--	118,822.00	296,307.00	293,675.00	1,009,481.00	--

TABLE 9 (CONTINUED)

County	Total Expenditures	Administr.	Prevention/ Education	ASAP/Drug Diversion	ScIP	Women's Intervention	Other Crim. Justice Programs	Other Intervention Programs	All Intervention (Total of Rows 4 thru 8)	Detoxifi- cation (Treatment)	Halfway House (Treatment)	Treatment (Including Totals of Rows 10 and 11)	***Training
Marion	\$ 78,964.44	\$ 26,907.80	\$ 17,535.50	\$ 7,894.35	--	--	--	--	\$ 7,984.35	\$ 1,000.00	\$ 5,000.00	\$ 18,936.79	\$ 1,600.00
McCormick	9,936.62	3,339.45	1,230.08	4,122.90	--	--	--	--	4,122.90	--	--	--	1,244.19
Bewberry	186,504.10	27,766.00	14,591.00	24,544.00	715.00	--	--	10,491.00	35,750.00	108,197.00	**	108,197.09	--
Oconee	(Included in Anderson Data)												
Pickens	116,777.00	20,241.00	12,375.00	22,159.00	500.00	--	--	--	22,659.00	--	29,072.00	51,492.00	--
Saluda	27,589.16	22,994.32	Included in Administration	4,253.63	--	--	--	--	Included in Administration	--	--	--	441.21
Spartanburg	535,621.26	84,417.04	38,416.51	44,788.80	--	--	--	28,090.56	72,379.30	229,392.04	57,061.74	337,352.86	2,555.49
Sumter	192,810.00	39,932.00	26,070.00	--	--	--	--	--	35,761.00	--	20,687.00	94,238.00	--
Union	51,651.70	18,945.05	8,822.09	12,142.75	--	--	--	--	12,142.75	2,736.00	--	12,321.35	--
Williamsburg	138,923.00	35,162.00	10,766.00	12,683.00	7,500.00	--	4,701.00	8,500.00	33,384.00	--	--	47,737.00	11,874.00
York	175,833.23	57,912.00	20,976.27	16,573.08	--	--	7,989.18	23,673.55	48,234.81	--	21,500.52	70,210.67	2,309.43
Total	\$8,336,877.92	\$2,015,210.86	\$686,593.11	\$1,022,261.94	\$81,938.32	0	\$214,309.74	\$417,627.25	\$1,738,209.25	\$1,545,613.52	\$920,752.66	\$3,755,496.38	

\* - Charleston information is estimated, not actual.

\*\* - Bewberry detoxification and halfway house expenditures are combined.

\*\*\* - Some counties were unable to separate training expenditures from other expenditures, thus training may be included under other program areas.

Source: Legislative Audit Council's questionnaires to counties.



APPENDIX 2

S. C. COMMISSION ON ALCOHOL AND DRUG ABUSE

June 25, 1980

Mr. George L. Schroeder, Director  
Legislative Audit Council  
620 Bankers Trust Tower  
Columbia, South Carolina 29201

Attention: R. Lester Boles

Dear Mr. Schroeder:

We were advised by your letter of July 30, 1979, that your agency had been directed by the General Assembly to conduct an audit of the South Carolina Commission on Alcohol and Drug Abuse (SCCADA). We welcomed the opportunity to assist you in your assignment and are pleased to provide this response to be incorporated into the audit report for forthcoming release.

Our staff appreciated the opportunity of reviewing and responding to your preliminary draft in mid-May and, as I pointed out at the May 15 briefing you held for the Chairman and two members of our Commission, we were impressed with the professional approach of your field staff and the depth of understanding they acquired in a relatively short time of our agency's philosophy and system of delivering services to meet South Carolina's needs in the extremely complex field of alcohol and drug abuse.

We are generally quite pleased with the overall assessment you present, although we were somewhat disappointed that you were not able to devote more attention in your audit, and more space in your report, to some of the more innovative and effective aspects of our programmatic activities which have earned our agency and our state an enviable position in the forefront of national attention in the alcohol and drug abuse field.

We noted with considerable satisfaction the audit council's summary comments on page two: "Overall the Council found SCCADA to be a competent and effective agency with dedicated personnel. The agency has made, in cooperation with the county commissions, substantial progress in providing a high level of service delivery to clients in a relatively short period of time." We were also pleased at your conclusions, as stated on page five, that "SCCADA is performing its duties efficiently and effectively," and that "The Council found the system to consist of many competent individuals dedicated to providing quality alcohol and drug abuse services." In addition, we would be shortsighted indeed to argue that continued improvement is not possible since we continually strive to achieve it, and we expect to benefit from your audit and some of the recommendations of your report.

After reviewing your revised report on June 10, we are further gratified to note modifications made as the result of our earlier response to the preliminary draft. However, while we recognize that the overall purpose of your study is to make recommendations for improvement, and while we concur with many of your recommendations and have already initiated steps for improvement in some of these

Mr. George Schroeder  
June 25, 1980  
Page Two

areas, there are other findings in your report with which we do not concur. In general, our major areas of concern can be summarized as follows:

1. Several of your conclusions after such an exhaustive study of our operations appear to represent a philosophy of management by exception. You find us "competent and effective" in an overall sense and yet recommend a major reorganization and shift of decision-making authority for our agency. You admit to a "high degree of accountability in the management of most... contractual arrangements" and still see it advisable to recommend the establishment of criteria and guidelines which would presumably change the largely accountable procedures you recognized as presently in force.
2. Numerous references state or imply that our agency has expended funds with neither appropriate authorization nor oversight of the General Assembly. We deny each categorically. While the Audit Council may view certain expenditures from its hindsight perspective as inappropriately authorized, SCCADA affirms emphatically that it has observed both the letter and spirit of all state spending practices in force and applicable at the time of each decision, and further that every dollar it has expended was included in the appropriations bill which was appropriately reviewed and approved by the General Assembly.
3. Despite the many months your staff spent with us, there appear to remain several areas of misunderstanding and misconceptions about what our agency does, how and why. Some of the misunderstanding seems to surface in the report's attention to use of discretionary funds and the agency's lines of authority, and the review of training programs suggests some lack of understanding of mission and SCCADA's inherent responsibilities for training that go beyond the needs of local alcohol and drug abuse commissions.

Since your staff requested that our comments be as specific as possible, we intend to address the major points in the report particularly those with which we differ and to which we feel our response is needed.

#### Unauthorized Pass Through of Indirect Cost Recoveries (Pages 2 and 31)

We disagree with the statement that "SCCADA passes through to the local programs a portion of the indirect cost monies collected from the Title XX program without proper authorization of the General Assembly..." We wonder whether the Audit Council contends that the Appropriations Bill is not proper authorization. We agree that we have not specifically shown these pass-through monies in our budget requests, because we felt no need to do so. Our original authorization for the procedure we used was provided by the State Auditor in FY77 and his office has been fully aware of this procedure since that time. In addition, documents identifying the amount from Title XX indirect cost as "10% administrative cost to local commissions" were distributed to the Budget and Control Board and made available to the House Ways and Means and Senate Finance Committees during our hearings on the FY78 Budget Request.

Mr. George Schroeder  
June 25, 1980  
Page Three

In the clinical light of 1980 hindsight, it should be emphasized that this agency's budget request for FY77 was prepared and submitted prior to the actual start-up of the Title XX program in October 1975. It was not until the next spring (of 1976) that two things were learned: (1) first year Title XX guidelines were being changed to prohibit the inclusion of administrative costs in the subcontractors' costs for delivering Title XX services in FY77, even though they had been allowed during the start-up year; (2) the earliest intent of the General Assembly as originally included in the FY77 Appropriations Bill was highly tentative in defining that intent. It did not identify Title XX per se, it set a timeframe "as soon as practicable," and it directed the Budget and Control Board to "develop a positive plan to require compliance..." It was not until the enactment of the FY77 Supplemental Appropriations Bill in June, 1977 (eight months after our FY78 Budget and Control Board Hearing and only a month before the FY78 Appropriations Bill was enacted), that the intent was specified as immediate, Title XX was mentioned specifically and the Budget and Control Board was directed to "continually monitor the activities of the various state agencies to insure that the wishes of the General Assembly...are carried out." Subsequent to this second expression of intent, our agency initiated discussions with the Auditors Office about how we should respond to this mandate, particularly in the handling of the FY78 Appropriations Bill which was at that time already in the Senate Finance Committee. We were advised that, since we had nearly a year's experience in providing these pass-through monies to local programs and they constituted no new spending, we should have no problem in continuing to do so in FY78, and the Senate Finance Committee was so advised that we were taking this course of action rather than requesting the appropriation of these monies so late in the legislative year.

As to the handling of these monies in FY79 and FY80, we have made available to your staff what we feel to be rather extensive documentation from our files justifying our continuation of the procedure used in FY78. It is apparent from your conclusions that the Audit Council does not agree with our interpretations and there is little to be gained in pursuing the issue further in this response. We do wish to note with some regret that your summary statement on page two seems to regard the three years in question as identical even though you concede on page thirty-three to our having obtained verbal approval for FY78. We also wish this response to show that, differences of opinion notwithstanding, SCCADA has heeded the Council's recommendation and its FY81 appropriation has already been amended by the General Assembly accordingly.

Need to Recognize All Allowable Indirect Cost Recoveries (Pages 2 and 34)

With regard to the National Institute on Drug Abuse and its formula grant monies, we concede the validity of the Council's position. We hope the Council recognizes that SCCADA's prior handling of these funds was done with no intent to circumvent regulations or legislative intent, but resulted instead from misunderstandings emerging from our interpretation of proposed 1973 regulations and assumptions based on prior experience with similar NIAAA formula monies. We are, in fact, somewhat incensed that two institutes within the same branch of the federal establishment should promulgate different regulations for the handling of



Mr. George Schroeder  
June 25, 1980  
Page Four

monies authorized by nearly identical language, but we have nevertheless heeded also this recommendation of the Council and have taken steps with the General Assembly to amend the agency's FY81 appropriation accordingly.

Failure to Apply for Allowable Indirect Cost Recoveries (Pages 3 and 36)

The Council states that "SCCADA chose not to apply for allowable indirect cost" in a situation where, in fact, we felt we had no option to do so. The NIAAA Statewide Services demonstration project grant was negotiated with that federal agency in the summer of 1979. Under terms of the grant, SCCADA agreed to assume responsibility for the fiscal and programmatic management of five existing federal alcohol abuse and alcoholism grants, each of which had been in operation for several years and had both staff and services (i.e., fixed costs) firmly in place. NIAAA guidelines for the Statewide Alcoholism Services Demonstration Project (SASDP) grants state: "Cost of treatment projects and other contracts under a SASDP grant and the cost of the State Alcoholism Authority (SAA) to administer the grant are allowable in accordance with the provision of Public Health Service policy. However, the allowable direct and indirect costs for the SAA to administer the grant may not exceed the equivalent of 10% of the aggregated allowable cost of individual projects under the grant." After SAA direct costs associated with the administering of the grant were budgeted, there were no funds left to be identified as indirect. It was this agency's interpretation that, as we were working within a ceiling and had no authority to cut direct costs in the field, indirect costs could not be applied against this grant. Our position in this regard may have been influenced by timing pressures, since the start date was projected as January 1, 1980, and it is our understanding that there is no mechanism for handling the appropriation of necessary direct costs for administering grants between legislative sessions. However, there was no intent on our part to misinform the Grants and Contracts Review Unit as is stated on page thirty-six. We still feel that our decisions and communications under the circumstances were appropriate, but again we concede the Council's position and have taken steps to amend the agency's FY81 appropriation through the General Assembly and are requesting an amendment to the grant from NIAAA, in accordance with the recommendations.

Lack of Adequate Controls on Certain Discretionary Funds (Page 3 and 39)

We agree that additional documentation and fiscal/programmatic oversight of these funds allocated for administrative support is desirable, and steps have already been taken by our agency, as your audit states, to overcome some of the noted deficiencies with the development earlier in this fiscal year of the Comprehensive Consolidated Contract Request for Proposal (RFP). This RFP establishes procedures and guidelines for the acquisition and expenditure of all funds available from SCCADA beginning in FY81, and requires the submission of detailed budgetary information in all areas as well as program goals and evaluation standards in all program areas except administration, which requires only that the applicant present in narrative form full justification for the need for administrative funds being requested.

Mr. George Schroeder  
June 25, 1980  
Page Five

We were pleased that your report found "a high degree of accountability in the management of most of (the agency's) contractual arrangements," and note with some satisfaction, even though these proportions were not pointed out in your report, that the amount of monies you address in this section represent less than 5% of all discretionary funds available to the agency and less than 2% of all monies contracted for by SCCADA annually. In addition, we felt certain that, with the depth to which your audit team went into the funding patterns employed by the agency, the uncertainty at the county level of such funding sources as client fees and other monies, and a local program's ability to earn funds under unit of service contracts were readily apparent to your staff. Thus we are surprised at your premise that, by providing these funds, SCCADA may be subsidizing possible poor management or poor planning by local programs which is in our opinion an unfounded and erroneous assumption.

Discretionary funds, the agency feels, might be regarded as the "glue" which holds the service-delivery system together. Many of the basic services are funded by categorical monies which have little flexibility of use. The primary purpose of the demonstration grants, as was spelled out in the agency's FY81 Budget Request, is to provide contract funds to local programs, particularly in rural areas, to supplement short-falls and fixed program costs when projections of units of client services included in basic contracts signed at the beginning of the fiscal year prove to be faulty.

We must question also the report's reference on page forty-one to the "negligible" effect of two contracts with statewide organizations. First, the intent of the contract signed with the Alcohol and Drug Abuse Association of South Carolina was not to support an organization which is no longer functional, but instead to attempt to move further toward one of the major objectives of the State Plan, that of quality assurance in the delivery of services by testing one possible model for the credentialing of counselors through this association's management of a voluntary certification and peer review process. The fact that the association did not survive appears to overshadow in your report the additional fact that the certification process remains, having been assumed in recent months by SCCADA itself, even though the mechanism tested by the contract in question did not accomplish its intended goal. The statement also that the Pastoral Care Committee's "purpose is to educate clergy" exhibits an erroneous impression of the scope and responsibility of this committee, which plays a major role in the implementation of the State Prevention Plan and whose principle purpose is to advise SCCADA on ways and means of utilizing with maximum effectiveness the state's religious community in the prevention of alcohol and drug abuse, an endeavor whose maximum dividends may yet be years away and judgment as to the success of the investment may be considerably premature.

We nevertheless concur with the recommendations as to the performance of the new contractual system and, as feasible within the concept of management efficiency mentioned above, our disbursement of discretionary funds.

Mr. George Schroeder  
June 25, 1980  
Page Six

Potential Future Need for Agency Reorganization (Pages 3 and 42)

We see some contradictions between the recommendations contained herein and the statement that "Overall, the Council found that the agency is performing its assigned tasks and functions in an effective and efficient manner," which seems to suggest an approach to management by exception. We agree that the director's span of control is large, a fact which for several years has prompted the use of the deputy director as the immediate supervisor of all division directors. We are also inclined to agree that decision-making authority is retained in the Office of the Director where it ultimately belongs, although extensive use of staff recommendations which have the effect of delegated decision-making does take place on a daily basis. We agree that boundaries between divisions and their responsibilities are sometimes unclear, and we certainly intend to continue to provide necessary clarification. However, we also feel that some noted program overlap is indicative of the responsiveness of the agency to joint collaboration for the most effective accomplishment of tasks, and we are pleased that your report recognized this. We also feel that delays in contract finalization and reimbursement to counties are as much the result of outside factors over which we have no control as they are of involvement by divisions.

We were most interested in the recommendations for agency reorganization, and admit to having had similar proposals under consideration for several years. To date, however, we have had no reason to feel the need for implementation of any such plan since the demonstrated track record of the agency would seem to warrant the need for more compelling reasons to change than those presently in evidence. We will continue to look at this possibility and specifically the model offered by the Council in the event such may be needed in the future, but we also remain mindful of the following advice:

"We trained hard, but it seemed that every time we were beginning to form up into teams we would be reorganized. I was to learn later in life that we tend to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization." Petronius Arbiter, Circa 60 AD.

County Dissatisfaction with Training Programs (Pages 4 and 51)

We are inclined to agree with some of your assessment, but we must differ also with other of the conclusions and recommendations relative to training, particularly as related to the agency's training responsibilities which include but cannot be limited to the needs of local commissions.

We concur that there is dissatisfaction among certain county personnel and a need for improved communication to which we continually strive. We also feel that county misconceptions about the nature and funding of the state training system, as you pointed out, contribute to much of the communication barriers that exist. We do not agree, however, that the lack of one person or division "responsible for the overall arrangement and quality of training programs," as you noted at the top of page fifty-three, is a factor. That responsibility already lies with

Mr. George Schroeder  
June 25, 1980  
Page Seven

our Division of Training, unless your report intends the words "arrangement" and "conduct" to be synonymous.

It has been SCCADA policy since 1975 that "While the mission of the Division of Training is to provide skills training support which impacts on local programs and to increase skill levels of state staff, other divisions and programs must continue to be involved in training and staff development activities. All training events must be approved in advance by, planned with the cooperation of, and announced through the Division of Training, in order to coordinate all training activities more effectively and insure the development of consistent goals and criteria." The philosophy behind this policy was that a large and specialized training staff would not meet existing needs in the field and what was needed instead was a training staff with generic training skills and good training design and delivery skills, in order to utilize the manpower and expertise in other divisions of the agency and elsewhere.

We agree with the Council that this arrangement leaves more room for communications problems to arise between SCCADA and local programs, but it is much more cost-efficient than a larger division invested with the responsibility for planning and delivering all training, as the Audit Council is aware. We will continue to work toward the solutions to those problems and others.

We have some ambivalence about the Council's conclusions and recommendations regarding the training needs assessment process and the involvement of county commission directors. We agree that we should continue to improve the process and we agree that more involvement by directors is needed, but we must note that the issue demands dual responsibility, since the opportunity for involvement must be provided and then accepted to be meaningful. We intend to heed the recommendations as is possible, but we cannot appoint "a single division or person responsible for the planning, management, and quality of all training and recertification events." SCCADA did this in 1975 and the model has contributed substantially to the achievement of what the Audit Council has found to be an effective and efficient statewide service-delivery system with many dedicated and competent individuals. However, we are in complete agreement that improved coordination of our training efforts is a goal which we shall continue to seek.

#### Need for Written Audit Policies and Procedures (Pages 4 and 54)

We disagree that "SCCADA auditors do not have any written policies and procedures for conducting financial audits." It is quite true that we have not developed anything specific to our agency but SCCADA auditors have extensive written policies and procedures to control the conduct of their field audits, including the need to follow the Department of Social Services fiscal and administrative manual for auditing Title XX, the NIDA financial manual applicable to the statewide drug services contract audits, and the Controller General's Office Auditor's Handbook, all of which are used extensively by auditors and thus obviate the need for development of further standard audit policies and procedures in our opinion. All procedures are, of course, in accordance with generally accepted auditing standards.

Mr. George Schroeder  
June 25, 1980  
Page Eight

We were pleased to note on page fifty-five that the Council found "all property was accounted for and state procurement policies were followed..." and "(Travel) reimbursement requirements...were examined and found to be correct." The maintenance of effective internal controls is, we hope, indicative of our overall approach to fiscal and business management needs which will include the development of a comprehensive external audit manual at such time as one becomes necessary.

Current Alcohol and Drug Abuse Issues (Pages 4 and 56)

We found much of this section to contain conclusions which were quite perceptive and with which we readily concur, such as the financial outlook and the importance of evaluation in maximizing each dollar spent for services. We also agree on the need for further integration of alcohol and drug abuse services with other health services, a goal to which our agency has been dedicated for many years and toward which we feel South Carolina has made great progress compared to most other states, even though more is needed. We are not in complete accord with the need for statewide service standards as we understand your recommendation. We have developed broad parameters of priority service needs which SCCADA will fund, but the development of local services based on local needs is in our opinion a strength of our present system which may not be compatible with statewide service standards and could risk optimum local participation in the system. We also differ with the Council's statement on page sixty-three that: "SCCADA's basic criteria in determining funding is merely to keep existing programs in operation." However, we see little point in debating the issue here inasmuch as we seem to have left this impression after ten months of study by Council staff and assume it had little effect on the overall, and very positive, Council judgments about the agency and its system.

SCCADA heartily endorses the Council conclusion on page sixty-five "that program stabilization and effectiveness evaluation are needed for the future," assuming the availability of adequate funding. The recommendation "that standardized criteria for success be established" is a long-standing desire of our agency and was among the planned goals of our Management Information System when it was established three years ago but which has never been implemented because it is extremely costly and funds were not available.

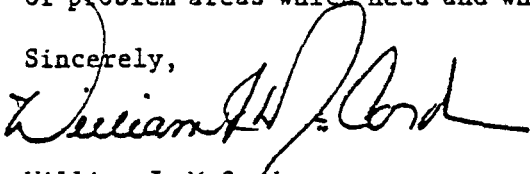
We are in complete accord with the recommendations for the merging and regionalization of services. We have encouraged this for some time, although we feel that the merging of specific county programs is an option that should be available to and with the preference of the counties themselves, rather than a mandate from the State Authority.

We are also in complete concurrence with the Council's recommendations regarding the encouragement of more formal interagency cooperation and fuller utilization of all available client services. Our objectives and goals have included full accessing of the state's health system for some time and we are actively involved in the interagency approach to the delivery of health care and will continue to be.

Mr. George Schroeder  
June 25, 1980  
Page Nine

In summary, SCCADA is pleased with the Audit Council's overall assessment. While there are numerous differences referenced in this response, there are also many agreements, and a large proportion of our differences find us agreeing on problems you identified even when we feel the recommended solutions may not be appropriate or timely. However, we assure you that, even where we have expressed disagreement, we will review every recommendation of the Audit Council and make an in-depth assessment of their possible implementation. We would like to commend you and your staff for the job you have done, the manner in which it was carried out and the conclusions you have offered, particularly in the diagnosis of problem areas which need and which will receive our continued attention.

Sincerely,

A handwritten signature in dark ink, appearing to read "William J. McCord", written in a cursive style.

William J. McCord  
Director

WJM/BR/ehd

cc: Chairman and Members of the  
SC Commission on Alcohol and Drug Abuse